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New Chief Promises to Take a Hard Look at IBM

Gerstner, RJR Veteran, Suggests No Business Will Be Untouchable

By Lawrence Malkin
International Herald Tribune
NEW YORK — Louis V. Gerstner Jr., the RJR Nabisco chief who was chosen Friday to lead IBM, promised a "no-holds-barred" approach to rebuilding America's premier computer company. As the man who returned the most debt-laden company of the 1980s buyout kings to profitability, he has the right profile. RJR simultaneously announced that two of Mr. Gerstner's team, Lawrence R. Ricciardi, corporate counsel, and Karl M. von der Heyden, chief financial officer, would operate as co-chairmen. They were promoted by Henry R. Kravis, the buyout king who is RJR's dominant investor; he left no doubt that he would continue as the company's guiding hand during the difficult task of floating a stock issue to separate RJR's thriving food business from its troubled tobacco operations.

Mr. Gerstner, who will be chairman and chief executive, is the first outsider to lead International Business Machines Corp. since Thomas J. Watson joined it in 1914 and created its distinctive corporate culture. But analysts pointed out that the outside appointment had a certain logic: All previous chairmen have risen through Mr. Gerstner's speciality of marketing, not engineering, and furthermore, IBM's buyout-down culture of valuing loyalty over imagination has failed it as the computer business changed but the company did not. Tanned and looking relaxed, Mr. Gerstner, 51, said at a brief news conference that after taking over next week from John F. Akers, the Big Blue veteran who was forced out in January, he would "look at every business with a no-holds-barred approach."

This was his task at RJR, where in less than four years he sold off \$6 billion in assets including 7 of 11 corporate jets, 30 corporate apartments, the Del Monte food brands, and a number of the company's food franchises in Europe and Asia, which nevertheless retained their Nabisco names. That helped halve the company's debt from \$29.6 billion at the time of the 1989 buyout to \$14.2 billion now and take it out of the red for a net profit of \$368 million in 1991. Net profit in 1992 was \$259 million.

Although Mr. Gerstner said his strategy at IBM "is not going to be a short-term fix," he will also have to move fast. The company posted a loss of almost \$5 billion last year because Mr. Akers' management failed to foresee and deal with sales declines of almost 50 percent in IBM's core mainframe computer business. The worldwide hemorrhaging continues. IBM's loss before the announcement in New York, IBM Japan reported a 74 percent drop in profit because of weak sales and a computer price war. It also reshuffled its top management.

Ahead of Friday's announcement, the business press was filled with reports about leading computer executives who had refused the job, starting with John Sculley of Apple Computer Inc. But the overriding question was whether anyone from outside the computer business could transform Big Blue.

"IBM's long tradition of marketers at the helm makes this less counter-cultural than it first appears, and Gerstner is a marketer second See IBM, Page 6



A Muslim woman bids a final farewell in Sarajevo. A woman kissing the grave marker of her husband during his snowblown funeral in Sarajevo on Friday. A heavy snowfall helped the mourners since it prevented Serbian snipers from shooting at them, which they normally would. Western nations, meanwhile, demanded that the rebel Bosnian Serbs accept a peace accord or face new, stiffer economic sanctions. Page 2.

In Land of Foie Gras, Politics Get Nasty

By William Drozdiak
Washington Post Service
SARLAT, France — Ever since the German occupation, the picturesque Périgord region and its bucolic inhabitants have been renowned for their fiercely leftist political sympathies almost as much as for their foie gras.

When France's suave foreign minister, Robert Dumas, won election as this region's representative in the National Assembly five years ago, it seemed to hold the promise of a lifetime. As a close ally of the Socialist president, François Mitterrand, and the son of a legendary resistance hero who was executed here, Mr. Dumas possessed all of the right political credentials.

But the magnitude of the conservative landslide in France's parliamentary elections appears so great that it may overwhelm many traditional Socialist fiefdoms when runoff are held Sunday.

Like other barons of the Socialist party — including Michel Rocard, a presidential hopeful and former prime minister, and Culture Minister Jack Lang — Mr. Dumas seems in serious danger of losing what was once a guaranteed leftist seat.

The conservative alliance headed by Jacques Chirac and Valéry Giscard d'Estaing hopes to capture as many as 480 of the Assembly's 577 seats when the second round of voting is over. The Socialists may be left with as few as 70 seats, far behind the 270 they controlled in the outgoing parliament.

"I hope the people of this region realize the dangers of a one-legged, right-wing assembly," Mr. Dumas said in an interview during a break in the whirlwind of 11th-hour appeals for support.

"I think the outcome of the first round will shock them into seeing that much of our affinity comes from a strong public sector that can only be preserved by the left."

Mr. Dumas won only 22 percent of the votes on the first round, barely half the score of his conservative rival, and he will need every ballot he can muster from disparate Communists, ecologists and dissident Socialists to win a majority in the second round.

Casting aside his image as a debonair diplomat, Mr. Dumas has dropped all pretense of striped-pants niceties as he proselytizes the Périgord peasantry.

He has branded the conservatives as "little fascist worms" and warned that if they wind up with a huge parliamentary majority, France's extensive social welfare programs will be gutted.

Mr. Dumas, 73, is expected to continue as Mr. Mitterrand's foremost diplomatic adviser even after the conservatives take over government next week as France enters another phase of "cohabitation" rule between a Socialist president and a rightist cabinet.

But at Mr. Mitterrand's behest, Mr. Dumas and other Socialist stalwarts are waging a desperate bid to dilute the conservative majority by salvaging every seat they can. And in trying to rally what the president calls the "forces of progress" behind them, the Socialists are pulling every lever of power within their grasp during the waning days of the campaign.

While Mr. Lang is offering special tours of the Louvre for voters in his Loire Valley constituency of Blois, Mr. Dumas has been showering his people with dazzling gifts of advanced medical technology.

After his opponents accused him of neglecting the Périgord while he served as Mr. Mitterrand's globe-trotting troubleshooter, Mr. Dumas unveiled several prize plums last month to be awarded to the region, including a new cardiovascular center and a scanner for the local hospital here.

The scanner, however, may turn out to be a poisoned gift for the Dumas campaign. The benefactor that offered to pay the \$2 million franc cost (\$1.5 million) of the scanner turned out to be the Tias foundation in Liechtenstein. The philanthropy is run by Nahed Ojeh, a

Yeltsin Indicates He'll Accept Early Elections in Effort To Defuse Crisis

By Michael Dobbs
Washington Post Service

MOSCOW — President Boris N. Yeltsin and the Russian parliament appeared Friday to be moving toward an uneasy compromise that would give the electorate the final word in defusing the country's political and constitutional crisis.

Addressing an emergency session of the Congress of People's Deputies, or supreme legislature, Mr. Yeltsin stood by his demand for a nationwide vote of confidence on April 25 in which electors would also be asked to express their opinion about a new constitution.

But he also indicated that he would not oppose the calls of his political rivals for parliamentary and presidential elections to be held ahead of schedule in the autumn.

"I have made my choice," said Mr. Yeltsin, the first popularly elected leader in Russian history. "I leave my fate in the hands of the most just and supreme judge, the people."

President Bill Clinton said that developments Friday were heartening but that it was critical not to "place too much importance on the momentary events, the day-to-day events," because "it is difficult to determine what is going to happen day to day now."

The Associated Press reported. He spoke at a press conference with Chancellor Helmut Kohl after discussing a Russian aid package with the German leader.

In a further gesture toward his conservative critics, the 62-year-old Mr. Yeltsin dismissed one of his radical economic ministers and invited the legislature and political parties to propose candidates for a more broadly based government.

Russian political analysts said the cabinet reshuffle strengthened the position of Mr. Yeltsin's principal economic strategist, Boris G. Fyodorov, who will combine the post of finance minister with that of deputy prime minister.

For its part, the Congress backed away from threats to impeach Mr. Yeltsin in retaliation for his abortive attempt last weekend to assume emergency powers, among them the power to overrule any decision made by the legislature.

After five days of increasing political tension, the president issued a decree Wednesday that made no mention of emergency powers and explicitly recognized the authority of the Congress and the Constitutional Court.

"Both sides have stepped back from the brink," said Leonid Gurevich, an independent-minded deputy. "It turns out that neither side had the strength to win and impose its position on the other."

But although there were signs that neither Mr. Yeltsin nor his political opponents are prepared for a final confrontation, the emerging compromise is both fragile and provisional.

There is likely to be a sharp dispute over the wording of the questions to be put to the electorate on April 25, with parliament resisting any attempt by Mr. Yeltsin to use the occasion to push through his version of a new constitution. Previous power-sharing agreements have

buy the new capabilities we need to meet the new dangers we face."

The number of U.S. troops in Europe would be reduced to 133,700 by the end of the fiscal year. This is a reduction from 164,000 in fiscal 1993 and 304,000 in fiscal 1990.

The overall budget calls for \$250.7 billion for the Defense Department and \$12.7 billion for the Energy Department and other related programs. Copies of the budget were obtained from congressional sources.

The Pentagon said Mr. Clinton planned to cut \$88 billion more from military spending from fiscal 1994 to fiscal 1997 than the Bush administration had envisioned cutting.

Specifically, the budget continues production of the B-2 bomber, but it also cuts production of the B-52 bomber.

"This is in many ways the first truly post-Cold War budget," Defense Secretary Les Aspin said in a statement accompanying the documents, scheduled to be released next week. "It cuts Cold War forces and begins to

and housing prices to rational levels. Economists say price liberalization is a great idea, but workers are unconvinced.

Official statistics show that by the end of February, price levels in major cities stood 15.3 percent higher than a year ago. China does not disclose monthly changes in inflation, but other statistics suggest it is now probably running at an annual rate of more than 20 percent in major cities and is gaining momentum.

Concern about overheating is perhaps inevitable considering that China is experiencing a spectacular boom, resulting in 12.8 percent growth in gross domestic product last year. Most economists believe that is too fast a clip to be sustained for more than a couple of years.

Excessive growth in an economy is a bit like sprinting full speed for the first few hundred yards of a marathon. It looks great at first, but it is so tiring that it means slowing down later on.

"The government officials I talk to are... See CHINA, Page 2

Kiosk

Iraq Is Warned Of UN Violation

UNITED NATIONS, New York (Reuters) — The United States, Britain, France and Russia told Iraq's UN delegate Friday his country remained in violation of Security Council resolutions and warned a provocation would receive a firm response.

The warning was conveyed to the Iraqi, Nizar Hamdoun, by the UN envoys of the four powers. The American representative, Madeleine K. Albright, who later read a joint statement to reporters about the action, said it was not prompted by any particular Iraqi provocation.

Pressed to explain, she said Iraq had made mistakes in the past due to misunderstandings and "we wanted to make absolutely clear where we stood."

General News
Democrats wavering on Clinton's stimulus plan were advised to "support the leader." Page 3.

Business/Finance
Flat locked horns with magistrates investigating Italy's corruption scandals. Page 9.

Money Report
Prime residential property, the Clinton tax maze, economic outlook. Pages 14-15.

Dow Jones
Down 21.34
3,438.98

Trib Index
Up 95.84
95.84

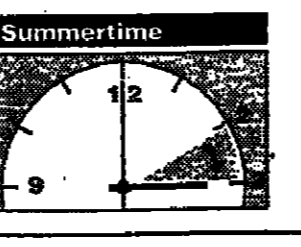
The Dollar
New York: 1.6335
DM: 1.467
Pound: 1.4735
Yen: 116.675
FF: 5.554



A German steelworker making his point during a mass march and demonstration Friday in Bonn. Steelworkers demanded that Chancellor Kohl help in rescuing the German industry. Page 6.

It's Time to Spring Forward Again

LONDON (AP) — Europe turns clocks ahead on Sunday. Most countries will move their clocks at 2 A.M. Britain and Ireland will remain an hour behind much of the Continent, while Bulgaria, Romania, Turkey, Greece, Finland, the Baltics, Cyprus, Ukraine and Russia will remain ahead. Americans and Canadians do not advance their clocks forward until April 4.



Clinton Budget Calls for Cut Of 30,000 Troops in Europe

The Associated Press
WASHINGTON — President Bill Clinton's military budget calls for \$263.4 billion in spending next year, according to official documents obtained Friday, and envisions pulling 30,000 troops out of Europe.

The plan for fiscal 1994, which begins this October, calls for a cut in the number of navy battle force ships to 413 from 443, a drop in aircraft carriers to 12, trimming the number of army active divisions to 12 from 14 and reducing air force fighter wings to 24 from 28.

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buy the new capabilities we need to meet the new dangers we face."

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West Insists Serbs Sign Bosnia Accord EC and Washington Threaten Renewed Economic Sanctions

Compiled by Our Staff From Dispatches

BRUSSELS — The European Community joined the United States and other nations Friday in demanding that rebel Bosnian Serbs accept a peace agreement or face new economic sanctions. The Serbs remained unmoved.

Indicating renewed Western willingness to press the Serbs, President Bill Clinton invited the Bosnian president, Alija Izetbegovic, to join him and Chancellor Helmut Kohl of Germany for part of their White House consultations.

"They will be in the wrong if they do not sign this agreement," Mr. Clinton said, adding that he would decide whether to "up the ante." He reiterated that the United States would send troops as part of a multinational force to help keep the peace.

The meeting came a day after Mr. Izetbegovic signed key elements of a plan to end bloodshed in Bosnia-Herzegovina by creating 10 provinces in his country.

But despite their growing isolation, the leader of the Bosnian Serbs, Radovan Karadzic, threatened to quit peace talks if the international community took a hostile line against the Serbs.

He insisted that a map of Bosnia dividing the former Yugoslav republic along ethnic lines, as proposed by negotiators, be redrawn to meet Serbian demands.

A United Nations general, Lars Eric Wahren, said Friday that the Bosnian Serbs had agreed to a cease-fire throughout the republic beginning Sunday. But it was unclear whether this cease-fire would be any more successful than dozens of other truces that have come undone almost immediately.

Mr. Karadzic said after talks at the United Nations in New York that he expected Cyrus R. Vance and Lord Owen, the international mediators, to continue to try to find a solution.

"We would certainly not cooperate," he added, "with those who are partial, one-sided, who are against the Serbs and who are punishing Serbian people, the entire Serbian nation."

The Yugoslav press agency Tanjug quoted him as having said earlier: "First they satisfied the Croats, then the Muslims. Now they have to satisfy the Serbs."

The EC, in a statement from Brussels, threatened the "total isolation of Serbia-Montenegro" if the Serbs did not accept the UN peace plan, which was signed by Bosnia's mainly Muslim government Thursday night.

"If the Bosnian Serbs refuse to accept the plan now, full international pressure will be brought to bear on them," the EC said. "The Community and its member states will continue strengthening sanctions."

The statement called on the Serbs to "stop all aggressions at once."

The Serbs were left isolated when the Muslim and Croatian factions signed the plan, which provides for the division of Bosnia into 10 largely autonomous provinces under a loose central government.

With Mr. Karadzic saying that he "cannot and must not accept" the plan, the peace talks appeared over for the moment, and the Security Council seemed to be moving into action. A resolution is expected next week threatening new sanctions against Serbia, which is seen as holding the key to the problem.

If the Bosnian Serbs, who seek their own state in Bosnia, remain adamant that they will not sign, a further resolution would impose the actual sanctions, whose options include cutting transport links, freezing financial assets and seizing airplanes, trucks and ships that violate sanctions already in place.

In related developments Friday: The United States said it would accept 2,000 more refugees from Bosnia-Herzegovina and give priority to victims of rape and torture, the U.S. Embassy said in Zagreb.

An observation aircraft assigned to monitor relief drops in Bosnia-Herzegovina crashed in the Ionian Sea, and five crew members were missing, the U.S. Navy said. The F-2C Hawkeye, based on the carrier Theodore Roosevelt, had not encountered hostile fire, according to a U.S. statement. The crash occurred about a mile from the carrier.

Prosecutors in Sarajevo war crimes trial called Friday for the death penalty against two Serbian soldiers, Borislav Herak and Sredo Damjanovic, accused of genocide, rape and murder, describing them as "direct executors" of a criminal ideology.

(AP, Reuters, AFP)



The "power" ministers, from left, Lieutenant General Viktor F. Yerin, interior minister; General Pavel S. Grachev, defense minister, and Colonel General Viktor P. Baranikov, security minister, at a Congress of People's Deputies meeting Friday.

Power Struggle Plays Out in Provinces

By Celestine Bohlen

New York Times Service

MOSCOW — From the Finnish border to the Arctic expanses of eastern Siberia, reaction to the power struggle in Moscow has been varied and contradictory, offering a realistic picture of the strains within the giant and increasingly wobbly Russian federation.

In some regions, the conflict in the capital has been mirrored, with regional councils, known here as "soviets," taking the side of the Russian parliament, and the heads of local administrations following the lead of President Boris N. Yeltsin, who in most cases had a direct hand in their appointments.

But many leaders in the regions, republics and cities that make up the 88 "subjects" of the Russian Federation have also expressed the wish that Moscow quickly and peacefully resolve its problems, and leave them alone to carry on with their appointed tasks.

"I am afraid that now, the reforming potential of both the president and the parliament has been exhausted," said Viktor Ignatenko, chairman of the regional council in

Irkutsk. "Therefore the 'subjects' of the federation should deal with these issues."

Throughout the feud between Mr. Yeltsin and his parliamentary rivals, conservatives have repeatedly argued that a national referendum — like one now proposed by Mr. Yeltsin — may be boycotted by more separatist-minded republics, which would use the opportunity to break with the federation.

In regions where the local executive and legislative branches have managed to resolve their differences, the struggle in the capital has mercifully far away. "Actually we do not feel any repercussions of what is going on in Moscow, except that both the president and the Supreme Soviet call everybody to keep peace and quiet, and we follow this advice," said Mikhail P. Ryabov, an aide to the head of the local administration in the city of Ryzan, a east of the capital.

Tula, a region greatly affected by military-related industries, went through a time last summer when the local council and the administration head, a Yeltsin appointee, were

at loggerheads over the pace and scope of economic change.

According to Alexander Yermakov, a newspaper editor in Tula, the two sides have taken up different sides in the current conflict, but not to the point of reviving their old local confrontation, which has been largely resolved in recent months.

The harshest reaction, though, to Mr. Yeltsin's call for stronger executive authority has come from some of the 20 ethnic republics. In Ufa, capital of Bashkortostan, Murtaza Rakhimov, the chairman of the republic's Supreme Soviet, said he was "stunned by Yeltsin's statement, as it actually establishes a dictatorship in the country."

In the Kuzbass, a coal-mining region where support for Mr. Yeltsin among the miners has been sharply criticized for presiding over a dramatic fall in industrial production. Another deputy prime minister, Boris G. Saltykov, was demoted to the post of minister of science and technical policy. Finance Minister Vasilii Barchuk left the cabinet.

At first glance, the ministerial changes did not appear to reflect a significant shift in government policy, since Mr. Fyodorov remains in overall charge of economic change.

But the head of the presidential administration, Sergei A. Yelagin, said Friday that any attempt to impeach the president could have catastrophic consequences.

The impeachment drive against Mr. Yeltsin appears to have fizzled out as a result of his decision not to seek special rule. The Constitutional Court chairman, Valeri D. Zorkin, who had earlier ruled that Mr. Yeltsin's television address last Saturday violated the constitution, said Friday that any attempt to impeach the president could have catastrophic consequences.

A senior Foreign Ministry official said a new organization might be established by the G-7 at the emergency meeting to manage fresh aid commitments. But several officials insisted that they would resist a proposal made by the Clinton administration to direct money specifically to social projects.

For instance, one idea offered by the United States has been to provide money to build housing for soldiers brought back to Russia from former Soviet republics. But Japanese officials have insisted this was not acceptable to them, since it might improve conditions for the Russian soldiers who still occupy the Northern Territories.

One of the problems the countries will try to overcome, Japanese officials said, is that about half of the \$24 billion in aid offered last year was never distributed because Russia failed to meet various conditions set for its disbursement.

Serbs Threaten German-Aided Relief Flights

Reuters

UNITED NATIONS, New York — The UN said Friday that Bosnian Serbs had threatened to shoot down any planes dropping relief supplies over Bosnia-Herzegovina if German planes joined the operation.

"There were Serbian threats to shoot down flights if German planes took part — in other words to shoot down all flights if they knew that Germans were participating," said a UN spokesman.

He said the matter was under discussion among officials of the United States, France, Germany, the UN High Commissioner for Refugees and the UN force in Bosnia. "A judgment will be made after the discussion on whether or not to exclude German flights," he said.

RUSSIA: Yeltsin Indicates He'll Accept Early Elections to Defuse Crisis

(Continued from page 1) amounted to little more than a temporary political cease-fire.

Underlying the dramatic events of the past week are two entirely different conceptions of the future shape of Russian political system and the pace of the country's transition to a market-style economy.

Mr. Yeltsin would like to create a strong presidency to push through painful economic change. His opponents believe that "shock therapy" will end in disaster and want to subordinate the government to close parliamentary supervision.

Addressing the Congress on Friday evening, Vice President Alexander V. Rutskoi launched a blistering attack on the government's economic policies and accused the

president's aides of blocking his initiatives on agrarian reform and crime. Last weekend, Mr. Rutskoi refused to sign a presidential decree declaring a five-week period of "special rule" leading up to the referendum, as a result of which he was branded a "traitor" by the Yeltsin camp.

"This is not a stable compromise. In two or three weeks, it will all blow up again," said Nikolai Travin, the leader of the centrist Democratic Party and a prominent critic of Mr. Yeltsin. "Early elections are one possible way out of the crisis, but there is no guarantee that they will change things for the better."

A draft resolution that is likely to be submitted to the Congress on Saturday proposes elections for

both the president and parliament on Oct. 10. It also suggests the creation of a Western-style two-chamber parliament to replace the unwieldy two-tier legislature under which the Congress delegates some of its power between sessions to a working parliament known as the Supreme Soviet.

According to the Russian Interfax news agency, the draft referendum endorses the idea of a referendum on April 25 but proposes a different set of questions for the voters.

In addition to a vote of confidence in the president, two other questions are envisaged: on early parliamentary and presidential elections, and on Mr. Yeltsin's economic program. Under the existing constitution, the parliament has the right to determine the final wording of questions in a referendum.

In theory, early elections should lead to the creation of a more representative legislature than the present Congress, which was elected in 1990 at a time when the Communist Party was still in power. Several deputies predicted that it could be even more conservative given the fact that unemployment is likely

WORLD BRIEFS

Ulster Police Make Arrests in Slaying Of 4 Catholics by Protestant Gunmen

BELFAST (AP) — Ulster police arrested several men Friday in the killing of four Roman Catholic workmen by a Protestant extremist group.

The Royal Ulster Constabulary headquarters in Belfast said the men were picked up in Coleraine. It is near where the workmen were gunned down Thursday in Castlerock, a town 30 miles (80 kilometers) northwest of Belfast. The police would not say how many suspects were being held.

A pro-British terrorist group, the Ulster Freedom Fighters, claimed responsibility for killing the four men and for shooting a Catholic teenager to death hours later in Belfast. The paramilitary group threatened more sectarian killings. The Freedom Fighters and another loyalist or unionist group, the Ulster Volunteer Force, have been responsible for most of the 24 deaths in Northern Ireland this year.

Protestant anger and fears have been exacerbated by the 1985 agreement that gave the Irish Republic a consultative say in Britain's running of Northern Ireland.

U.S. Marines Act to Protect Kismayu

MOGADISHU, Somalia (AP) — U.S. Marine jets roared over Kismayu on Friday as Marines came ashore for an action designed to keep warring Somali factions away from the disputed southern port.

Warplane small helicopter flights are a prelude to Saturday's sweep of the region by nearly 2,000 troops from the U.S.-led coalition. About 1,300 Marines from a four-ship amphibious assault force are landing and unloading supplies at a Belgian base in the port area, a Marine spokesman said.

The Marine force arrived less than a week after the withdrawal of a 500-man U.S. Army rapid deployment force, sent to quell fighting between warlords.

Hezbollah Frees Lebanese Fighter

BEIRUT (AP) — The Iranian-backed Hezbollah released a militiaman of the Israeli-backed South Lebanon Army to the Red Cross on Friday, Beirut radio said. The move followed the army's release of 16 Shiite Muslim prisoners on Tuesday and could herald further prisoner exchanges.

Both Hezbollah, or Party of God, and the army said they released the prisoner to mark Islam's three-day feast that ended the holy fasting month of Ramadan. On Tuesday, the army released 16 prisoners from a prison in Israel's self-styled security zone in southern Lebanon.

4 Earthquakes Hit Southern Greece

ATHENS (Reuters) — Four earthquakes measuring up to 5.2 on the Richter scale slightly injured nine people and damaged many homes and public buildings in southern Greece on Friday, the police said.

The strongest of the tremors, which occurred within 15 minutes, had its epicenter 190 kilometers (115 miles) west of Athens, near the town of Pyrgos just inland from the Ionian Sea.

The police said electricity was cut off, a wing of the town hospital was swamped and many homes appeared to have been seriously hit. "Everybody has panicked and is out in the streets but we had no reports of any serious injuries," a police officer said.

For the Record

The Canadian defense minister, Kim Campbell, 46, has announced her candidacy to head the Progressive Conservative Party and replace Prime Minister Brian Mulroney, who has announced his retirement. (AP)

A ruling on the appeal of **Wimpey Mandela** was delayed because five appeals judges reserved judgment Friday in Bloemfontein, South Africa, on his six-year sentence for kidnapping and assault. The estranged wife of the ANC leader, Nelson Mandela, is free on bail. (Reuters)

Italy's cabinet agreed to hire 1,000 prison guards so it can reopen unused prisons to defuse growing tension in overcrowded facilities, the Justice Ministry said Friday. Penal institutions are packed with 50,000 inmates — 10,000 more than a year ago. (Reuters)

Correction

A brief item in Thursday's editions about an antitrust settlement against airlines in the United States misstated some instructions for air travelers eligible to apply for discount coupons for future flights. Travelers seeking claim forms should write to Airline Antitrust Legislation, P.O. Box 209, Philadelphia, Pa. 19107.

TRAVEL UPDATE

London bus drivers will join rail workers and miners in a one-day strike on Friday, the Transport and General Workers Union said. The stoppage is expected to cause severe traffic problems. It will be the second one-day protest by drivers over proposed pay cuts. The rail stoppage is to protest job losses. The Underground has yet to be affected. (Reuters)

Singapore Airlines will begin weekly flights to Durban, South Africa, on Tuesday, the company said. The carrier has two flights a week to Johannesburg. (Bloomberg)

Electronic Data Systems Corp. said it expected to restore service Friday to 5,200 automated teller machines around the United States that had been shut down for nearly two weeks after one of the company's computer centers was disabled by a snowstorm. (NYT)

A Paris Metro train derailed during the morning rush hour Friday. There were no injuries, the authorities reported, but traffic was interrupted for several hours. (AP)

British fishermen protesting imports of foreign-caught fish blockaded the port of Plymouth on Friday, preventing ferries and warships from docking. It was the second blockade this week. (Reuters)

Louis Falco Dies, U.S. Dance Figure

NEW YORK — Louis Falco, 50, a choreographer and modern dance artist who founded a company and was celebrated for his energetic creations for films such as "Fame," died of AIDS on Friday in his home here.

After directing The Louis Falco Dance Company for 16 years, he disbanded it in 1983 to concentrate on choreographing, writing and directing for film and television, and creating ballets for other companies.

He was born in New York and raised on Manhattan's Lower East Side. He began dancing professionally with the Charles Weidman Company while attending the High School of Performing Arts. He danced as a featured member of the José Limón Dance Company from 1960 to 1970, often opposite Mr. Limón.

His appearances as a dancer included starring guest roles at La Scala in Milan and performances with Rudolf Nureyev on Broadway in Mr. Limón's "The Moor's Pavane."

The Louis Falco Dance Company was launched in a highly successful first season in 1967. The

company was renamed for a style, based on the Limón technique, that presented movement as an extension of behavioral activity. Mr. Falco's company performed at such major festivals as Spoleto, Avignon, Jacob's Pillow, the American Dance Festival and the Holland Festival.

Mr. Falco created more than two dozen works for his company and ballets for companies throughout the world, many of which were never performed in the United States.

He also choreographed videos for pop singers — Prince, the Cars and Ricky Skaggs.

Greg Palacas, 91, one of Germany's best-known modern dancers and dance teachers, died Monday in Dresden. She began winning acclaim as a solo dancer in 1924. The Nazis closed her dance school and the Communist regime in East Germany nationalized her school in 1949.

The Venezuelan Omg Meas Candarama, 66, who was Cambodia's third-highest-ranking Buddhist monk and became a religious and cultural leader of expatriates in America, died of a heart attack March 16 in Olney, Maryland.

RELIGIOUS SERVICES

- AMSTERDAM**
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- FRENCH RIVIERA**
CORNERSTONE CHRISTIAN FELLOWSHIP worship at Hotel Medaoh, Sophia Antipolis, 10:30 a.m. Sundays; nursery, Sunday schools; tel. 93.65.64.54.
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- MADRID**
COMMUNITY CHURCH, Worship and Church-School at 11:00 a.m., Padre Damián 34, (August, Oreaga and Gen. Yague), International, English Speaking, Tel.: 559-5257.
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INTERNATIONAL COMMUNITY CHURCH (Evangelical, Bible Believing, services in English 4:15 p.m. Sundays at Eibacher Str. 10 (U2 Theresienstr.) 089 93 45 74.
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INT'L FELLOWSHIP, 9 Rue Louis-Notari, Sunday Worship 11:00 & 6 p.m. Tel: 92.16.56.00.
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THE AMERICAN CATHEDRAL (Episcopal-Anglican), Sun. 9:30 a.m. Holy Communion for children and nursery group at 11 a.m. 23 av. George V, Paris 8. Tel: 47 20 17 92. Metro: George V or Alma-Marceau.
- HOPE INTERNATIONAL CHURCH** (Evangelical), Sun. 9:30 a.m. Holy Comm. Metro: La Defense. Tel: 47.73.53.54 or 47.75.14.27.
- SAINT JOSEPH'S CHURCH** (Roman Catholic), Masses Saturday Evening 6:30 p.m., Sunday, 9:45, 11:00, 12:15 and 6:30 p.m., 50, avenue Hoche, Paris 8th. Tel: 27-28.25. Metro: Charles de Gaulle-Etoile.
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BARCELONA
INTERNATIONAL BAPTIST CHURCH meets at Trav. des les Cortes, 340-344, 2. Sunday worship 11:00 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel: 059-546582.
- BERLIN**
INTERNATIONAL BAPTIST CHURCH, BERLIN, Rotherberg str. 13, 1000 Berlin 41 (Siegstr.). Bible study 10:45, worship at 12:00 and 10:30 each Sunday. Charles A. Wierdel, Pastor. Tel: 030-7142970.
- BONN/KÖLN**
THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheinstr. 22, 53111 Bonn. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel: (0228) 470-4670.
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INTERNATIONAL BAPTIST CHURCH (English speaking) meets at English-French-church Kreuzgasse, Hohenzollernstrasse Hermann-Baum-Str. (around the corner from the Bahnhof) Sunday worship 17:30 Ernest D. Walker, pastor. Tel: 01454-12377.
- BUCHAREST**
INTERNATIONAL BAPTIST CHURCH, Sasa Popa Pasa 22, 202 p.m. Contact Bill Richardson, Tel: 010-91-61.
- BUDAPEST**
International Baptist Fellowship # 2 (Bible U.S. Evangelical church for the English speaking behind front entrance), 1030 Bible study, 8:00 p.m. Joe Jenkins, pastor. Tel: 1188759 & 1188116.
- BULGARIA**
INTERNATIONAL BAPTIST CHURCH, Sofia, Central-Nordstr. Sofia-Sp. Worship 4:15, 20:00. Charles Curtis, Pastor. Tel: 704387.
- CELLE/HANNOVER**
International Baptist Fellowship, Filanderstr. 15, Celle, SS 1245. Worship 10:30, 30 min. Dime, 20 min. By train from Hannover. Walking distance from Celle train station. Contact Andy Earl. Tel: 05141-38735.
- DARMSTADT**
DARMSTADT/TERSTADT BAPTIST MISSION, Bible study & Worship Sunday 10:30 a.m. Stadtmision De-Eberstadt, Buschstr. 2, 61211-2072. Tel: 06187-91863 (pastor) & 06187-92722 (office).
- DÜSSELDORF**
INTERNATIONAL BAPTIST CHURCH, English, s.s. 10:30, worship 11:25. Children's church and nursery. Meets at the International School, Leuchtenburger Kidweg 2-D-Kalserstr. Friendly fellowship. All denominations welcome. Dr. W. J. Delay, Pastor. Tel: 0211/460157.
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INTERNATIONAL CHRISTIAN FELLOWSHIP, Evangelisch-Freikirchliche Gemeinde, Soldevstr. 11-18, 60380 Bad Homburg. Phone: 05134-23278 or 05195-643350 serving the Frankfurt and Taurus areas, Germany. Sunday worship 9:45, nursery - Sunday school 10:30, women's circle - Friday 08:30. Housegroups - Sunday & Wednesday 19:30. Pastor M. Lavey, member European Baptist Convention. "Declare His glory amongst the nations."
- BETHEL INTERNATIONAL BAPTIST CHURCH**, Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:30 a.m. and 6:00 p.m., Dr. Thomas W. Hill, pastor. Tel: 059-546582.
- HAMBURG**
INTERNATIONAL BAPTIST CHURCH OF HAMBURG meets at TABEA FESTHALL-LE AMI, 181 Hamburg-Cathorst, Bible Study 11:30 & 6:30 p.m. Tel: 040-820316.
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TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, women's fellowship, Bible study at Bloemvlei 54 in Wassenaar. Tel: 01781-78004.
- KRAKOW**
INTERNATIONAL BAPTIST FELLOWSHIP, U. Wroclawskiego 4, Flak. Meeting each month, 8:00 p.m. Gustav Cleiser, coordinator. Tel: 33 29 05 & 66 49 32.
- MUNICH**
INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzstr. 9 English Language Service. Bible study 18:00. Worship Service 17:30. Pastor's phone: 0893534.
- PARIS and SUBURBS**
EMMANUEL BAPTIST CHURCH, 96 Rue des Bons-Enfants, Rue-Marmatesson, 11. Evangelical church for the English speaking community located in the western suburbs. S.S. 9:45; Worship: 10:45. Children's Church and Nursery. Youth ministers: Dr. S.C. Thomas, pastor. Call 47-51-29-55 or 47-48-15-29 for information.
- INTERNATIONAL BAPTIST FELLOWSHIP**, 520 p.m., 123 av. du Maine, Mo Galle, Near the Tour Montparnasse. The evening service of Emmanuel Baptist Church. Call 47-51-29-55 or 47-48-15-29.
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International Baptist Fellowship meets at the Czech Baptist Church Vlnohradská # 88, Prague 3. At metro stop Jirchov Postraneč Sunday 11:00 a.m. 11:00 Pastor: Bob Ford (02) 31 0263.
- WUPPERTAL**
International Baptist Church, English, German, Pastor, Worship 10:30. Solestr. 21, Wuppertal - Eberfeld. All denominations welcome. Hans-Dieter Freund, pastor. Tel: 0202469836.
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FRANKFURT
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GENÈVE
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AMERICAN CHURCH in London at 79 Tottenham Court Road, London W1, SS at 9:45 a.m. & worship at 11 a.m. Goodge street tube. Tel: 01 582271.

INTERNATIONAL COMMUNITY CHURCH services at Ryders School, Hershaw, Surrey, Sunday at 10:00 a.m. and worship at 11:00 a.m. Active youth program. Tel: (0852) 882823.

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American Lutheran Church, Filbergst. 15 Workshop & Sunday School 11 a.m. Tel: (02)443534.

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AMERICAN CHURCH IN PARIS, Workshop 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 69 at door, Metro Alma-Marceau or Invalides.

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EMMANUEL CHURCH, Workshop Christ in Swedish, English, or Korean, 11:30 a.m. Sunday, Birger Jarling, at Kungälvstr. 17, 46/08/15 12 25 x 727 for more information.

VIENNA
VIENNA COMMUNITY CHURCH, Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

WARSAW
PROTESTANT INTERNATIONAL CHURCH, Protestant English language services, Sunday 11:00 a.m. (Sept.-July), 10 a.m. (Nov.-Aug.); Sunday School 9:30 (Sept.-May) U.L. Miodowa 21. Tel: 43-29-70.

ZÜRICH
INTERNATIONAL PROTESTANT CHURCH English speaking, worship services, Sunday School & Nursery, Sundays 11:30 a.m., Schwenzergasse 23. Tel: (01) 282525.

Yeltsin Cancels Domestic Stops

FIRST 100 DAYS / WAVERING DEMOCRATS

★ POLITICAL NOTES ★

Clinton Backpedals on Gay-Soldier Duties

WASHINGTON — Facing open criticism from allies inside and outside the government, the White House is seeking to ease the impression that President Bill Clinton would consider separating troops by sexual orientation.

Mr. Clinton said his assertion during a news conference this week that he would not rule out restrictions on the deployment of homosexual soldiers did not represent a change of heart. He said his Pentagon report recommending how best to carry out his pledge to allow homosexuals to serve.

But Mr. Clinton had never before publicly entertained the idea, and his comments at the news conference took some of his colleagues and advisers by surprise.

Bob Hattoy, a White House aide who gained national attention when Mr. Clinton selected him for a prime-time speech on AIDS at the Democratic National Convention, said that he "almost started crying" when he heard Mr. Clinton's remarks.

Mr. Hattoy likened the notion of limited duty assignments for gay service members to "restricting gays and lesbians to jobs as florists and hairdressers" in civilian life.

Mr. Clinton defended his remarks in a later televised interview, saying that he would oppose any military proposals that were discriminatory but said he would review whatever suggestions the Pentagon made.

Homosexual rights advocates who have advised the White House have condemned the president's comments, saying they fear Mr. Clinton is softening his campaign pledge to lift the ban on homosexuals in the military in the face of stiff opposition from the armed services.

Even senior Pentagon officials, including an army general reviewing the military's policies toward homosexuals, say separating homosexual and heterosexual troops in the field would be impractical and would hurt morale.

Separating homosexual and heterosexual troops by duty or by battalion or in any other way would require first determining the sexual orientation of troops, which would violate the principles of the policy that Mr. Clinton is trying to establish.

A key element of that policy is to stop asking recruits and other members of the armed services about their sexual orientation. Such action could heighten the fear of penalty for acknowledging homosexuality, a fear that Mr. Clinton says he is trying to erase. (NYT)

Taxpayers Find Bush Campaign Gift Costly

WASHINGTON — Call it George Bush's April surprise. Kathleen Callahan, a hospital therapist, planned to leave for Florida on a vacation she expected would be financed in part by her federal income tax refund.

But this week she got unsettling news. Rather than getting money back, Ms. Callahan figured out that she owes the Internal Revenue Service about \$350. Now she can't afford to spend as much on her trip to the beach.

Ms. Callahan is one of millions of taxpayers finding themselves without anticipated refunds or owing hundreds more than expected in federal taxes as a result of a change in withholding last year. That was when President Bush — facing a re-election campaign — announced that the Internal Revenue Service would recalculate the tax withholding tables to put more money into workers' paychecks. The increase, which averaged about \$6.60 per week for a married taxpayer, was supposed to help stimulate the economy.

But less tax withheld over the course of the year means more tax due by the IRS deadline, April 15. Although workers could have countered the change by filing new withholding statements, many didn't. (WFP)

Bush Official Intervened in Neil Bush Case

WASHINGTON — A top White House official during the Bush administration intervened in a government investigation of Neil Bush, the president's son, according to J. William Seidman, former chairman of the Federal Deposit Insurance Corporation.

"There was a neat little story for some investigative reporter, and I could even write the headline: 'White House Tries to Influence Neil Bush Case,'" Mr. Seidman writes in a forthcoming book, "Full Faith and Credit: The Great S&L Debacle and Other Washington Sagas," to be published by Times Books.

Neil Bush was investigated by the Office of Thrift Supervision on charges of conflict of interest stemming from his role as a director of the Denver-based Silverado Banking, Savings and Loan Association.

Mr. Seidman wrote that in late 1990, Alfred J.T. Byrne, the insurance corporation's general counsel, came to his office and said the White House counsel, C. Boyden Gray, "has a question about the Neil Bush matter." At the time of the investigation, Neil Bush was also facing a \$200 million lawsuit filed by the insurance corporation against him and the other Silverado directors.

"Boyden wanted to know if there was any legal process to move the Neil Bush case out of the administrative process and into a federal court," Mr. Seidman wrote. "I told him it was a matter to stay out of, a loser, and none of our business."

Mr. Byrne disregarded the advice. "On Jan. 2, my first day back in the office after the holidays, Tim Ryan informed me that Al had called him about Neil Bush, and the possible change of venue," Mr. Seidman wrote. Mr. Ryan was the director of the Office of Thrift Supervision.

Mr. Ryan referred the matter to the Treasury Department's inspector general, according to Mr. Seidman, who added in a telephone interview Thursday from Milwaukee that subsequently Mr. Byrne "was reprimanded by our board, on the recommendation of the Treasury's inspector general, and lost his bonus and salary increase." Mr. Seidman categorized that punishment as a "rap across the knuckles."

The Justice Department also investigated, he wrote, and "decided it had insufficient evidence to prosecute." Mr. Seidman said there was no evidence that Mr. Gray had acted on President Bush's behalf. (NYT)

Quote / Unquote

Ed Rollins, a Republican strategist, on what he has been telling political foes of President Clinton's: "Just hold his coat. He won and he's got sufficient votes in Congress to do whatever he wants. Wish him well for the good of the country. And the moment he falters, be prepared to put the kick in his side on the way down." (WFP)

Away From Politics

• A gunman walking along a rural highway in Washington state fired on motorists, a jogger and people outside their homes, killing one person and wounding at least seven before he was shot by police officers. Ricky Thorp, 30, of Bonney Lake, Washington, was arrested for investigation of murder, and was hospitalized in critical condition.

• Scientists have developed an artificial enzyme that in test-tube studies reduces the addictive effect of cocaine. Some experts say the development could eventually lead to a new weapon to treat cocaine abuse. Researchers at Columbia University in New York said initial tests indicated that the enzyme seeks out and binds to the cocaine molecule and then breaks it into two inert byproducts.

• A repair man standing on the hand of a giant clock atop an eight-story building in Pittsburgh was rescued after dangling from his belt for about 20 minutes when the hand broke. Otto Trampin, 30, was repairing neon lights on the clock when one of the hands, which had been set at 3:15 to create a horizontal platform, broke.

• General Dynamics Corp. ordered an investigation into why another unmanned Atlas rocket malfunctioned soon after liftoff from Cape Canaveral, Florida, this time leaving a navy communications satellite in a useless orbit.

• A man described as a religious fanatic sprinted past a small army of heavily armed officers and into the compound of the Branch Davidian cult near Waco, Texas, the FBI said. Louis Anthony Alaniz, 24, of Houston, knocked on the front door and was let inside by cult members.

• The Justice Department sued a Chicago suburb alleging that it discriminated against Hispanics by tightening restrictions on how many people can occupy a house. The suit alleges that the town of Cicero, which borders on a heavily Hispanic section of Chicago, adopted a stricter occupancy law in order to discourage an influx of Hispanic families.

• The Christian Science Church will discontinue its monthly news magazine, World Monitor, with the May issue. Other parts of the church's media operations, including the Christian Science Monitor, church's media operations, including the Christian Science Monitor, and an international shortwave radio network, will remain operative. UPI, AP, NYT, LAT



Mr. Clinton at play Friday as the University of Alabama's championship football team visited.

Murdoch Bids for N.Y. Post

Magnate Offers to Buy Newspaper He Ran for 12 Years

By Martin Gottlieb

NEW YORK — Rupert Murdoch has formally offered to buy the bankrupt New York Post again, saying he would operate the cash-strapped newspaper for at least 60 days while he tried to win necessary federal approval.

Mr. Murdoch ran the Post for a dozen years, but was forced to sell it in 1988 after he bought a New York television station and became subject to a federal regulation prohibiting an owner to hold a newspaper and broadcast station in the same market.

His new offer for the paper, made by a lawyer for Mr. Murdoch's News Corp., occurred at an extraordinary hearing conducted by telephone by a federal bankruptcy judge in which the paper's managing agent, Abraham Hirschfeld, said he would not contribute any more money to the paper.

Lawyers representing the Post, its creditors and its management employees warned at the hearing Thursday that the paper was in disarray and could collapse because, they charged, Mr. Hirschfeld had refused to pay withholding taxes and pension obligations, some salaries, leases on delivery trucks and bills for security and cleaning services.

Saying that even the Post's deliveries of daily newspapers would be cut off Friday if something was not done, Robert Miller, a lawyer for a group of nonunion management employees, told the judge that "without Mr. Murdoch coming in or some other manner of extraordinary relief, the Post will be dead in a matter of days."

Judge Francis G. Conrad told Mr. Murdoch's representatives to return with a written proposal Monday and ordered the appointment of an examiner to go through the claims and counterclaims emanating from Mr. Hirschfeld and from Post employees who are in open rebellion against him. He also designated the paper's comptroller, Steve Bumbaca, to write the checks necessary to keep the Post functioning, drawing on the newspaper's rapidly dwindling reserves.

It was this last ruling that caused Mr. Hirschfeld to say, "If your

A New Selling Job for Clinton

Doubters in His Party Try to Delay Jobs Bill

Compiled by Our Staff From Dispatches
WASHINGTON — A Senate leader chided conservative members of his own Democratic Party on Friday for trying to delay parts of President Bill Clinton's \$16.3 billion job-creation and economic stimulus package.

"I am startled, I am amazed and chagrined," said Senator Robert C. Byrd of West Virginia, chairman of the Appropriations Committee, as lawmakers debated the measure. "Why can't we as Democrats support the leader?"

On Thursday, majority Democrats banded together almost seamlessly to rush the outlines of Mr. Clinton's deficit-reduction plan through the Senate. The vote was 54 to 45, with none of the chamber's 43 Republicans supporting the measure.

But immediately after the vote, the Senate became embroiled in a major debate over the short-term stimulus package, which encountered strong resistance from conservative Democrats and Republicans, who have a better chance of scaling it back than their House counterparts did.

Senator George J. Mitchell, Democrat of Maine, the majority leader, called on Mr. Clinton to lobby for the stimulus program among wavering senators in his own party before a showdown vote that is expected next week.

"There's no rest for the weary," Mr. Mitchell told Mr. Clinton after receiving a congratulatory telephone call from the White House following the Senate's adoption of the budget bill. "I'll have a list of people for you to call."

Mr. Clinton's allies said the stimulus package was needed to create jobs this year and provide an insurance policy against a faltering recovery.

Critics said the funds, labeled as emergency expenditures, would add to the deficit without providing sufficient stimulus. Some Republicans, while saying that they did not want to filibuster against the measure, indicated they would prolong the debate on the Clinton request.

Conservative Democrats warned that they should not be ignored. In contrast, Democrats displayed near-unanimity earlier Thursday as the Senate voted to approve the outlines of Mr. Clinton's half-trillion dollar plan to

shrink budget deficits and encourage long-term economic growth. The House approved a similar measure a week ago, and negotiators from the two chambers hope to complete a compromise version next week.

Capitalizing on strong public support for the new president, the Senate vote came just 36 days after Mr. Clinton unveiled his proposal. It was the earliest the Senate has approved a spending blueprint since the current budget law was enacted in 1974.

"This is really a historic moment," Mr. Clinton said in a congratulatory telephone call to Senate leaders. "Finally we've done something to break the gridlock and to bring the deficit down and to create new jobs through investment."

The measure mapped out enough tax increases and spending cuts to pare \$502 billion from federal deficits over the next five years.

At the same time, the plan envisions spending more than \$100 billion on research laboratories, water purification plants and scores of other projects. (AP, LAT)

Blast Looks Less Like Foreign Plot

By Ralph Blumenthal

NEW YORK — Federal authorities say they believe they have captured or identified the core group of Arab militants who carried out the bombing of the World Trade Center.

More and more, a leading law enforcement official said, the bombing is seen as an act by ill-trained New York-area plotters operating independently and without direct orders from a foreign government or international terrorist network.

Officials said they still faced months of investigation before the full scope and motive of the Feb. 26 attack was exposed. But as they stepped up a search for a sixth suspect, they privately suggested that some of the most important questions were yielding answers.

One of the five suspects that have been arrested was tied for the first time to the discovery of a "timing mechanism" that the government suggested may have been used with the bomb that blew up an underground garage of the twin tower complex in lower Manhattan, killing six people and injuring more than 1,000.

Investigators also said that the bomb, originally thought to have been made with sulfuric acid and urea, now appears to have had an important extra ingredient: compressed hydrogen gas, which intensified the explosion and created a destructive fireball. Pieces of steel cylinders, similar

to those delivered to the storage shed, have been found in the rubble of the trade center garage. Those charged are Mohammed A. Salameh, 25; Mahmud Abouhalima, 33; Bilal Alkaisy, 27; Nidal A. Ayyad, 25; and Ibrahim A. Elmagbrohy, 42. They pleaded not guilty to the charges at a U.S. courthouse in New York on Thursday, and in some cases defiantly proclaimed their innocence. All were held without bail.

A New Jersey law enforcement official said the authorities were seeking a sixth man who was not identified but who was known to have been in a car accident in Woodbridge, New Jersey, on Jan. 24 with Mr. Salameh.

Mr. Salameh, the first suspect arrested, is a Palestinian-born illegal immigrant. He is accused of renting the van that carried the bomb and leasing a storage locker where explosive chemicals were kept.

Other law enforcement officials said the return from Egypt on Wednesday of Mr. Abouhalima appeared to have encouraged the surrender a few hours later of the fifth suspect, Mr. Alkaisy, and they said they hoped that the sixth suspect would turn himself in, too.

Investigators said they were hopeful, too, that Mr. Abouhalima or another of the suspects may agree to cooperate in return for possible leniency. But they said Mr. Abouhalima had refused to talk with the four federal and police agents who accompanied him from Egypt.

Farrow Details Allegations of Abuses by Allen

The Associated Press

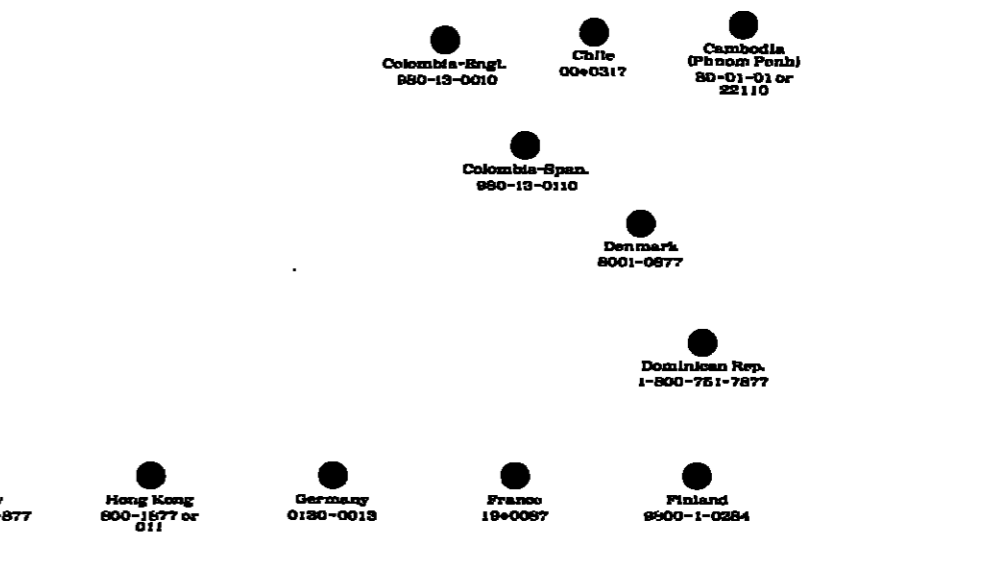
NEW YORK — Mia Farrow has detailed Woody Allen's alleged molestation of their daughter Dylan, 7, saying she told her Mr. Allen "touched her in certain places."

Ms. Farrow also charged that Mr. Allen began his affair with her older adopted daughter, Soon-Yi Previn, when she was in high school, not in college as he said.

In her first public comments on the abuse charges, Ms. Farrow on Thursday quoted Dylan as saying Mr. Allen had asked if she wanted some "father-daughter time" during a visit Aug. 4 at the actress's Connecticut home.

"She said he took her into the attic and she touched her in certain places" including the vaginal area, the actress testified. At another point, Ms. Farrow testified that Dylan said "she wanted a real daddy, not a boyfriend daddy."

Mr. Allen, 57, and Ms. Farrow, 48, his companion and leading lady of 12 years, are fighting for custody of Dylan and Moses, 15, both adopted, and their own son, Satchel, 1.



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Japan	0081-81	Mexico	19-0987	Peru	0051-51		
Korea	0082-82	Monaco	377-377	Philippines	0063-63		
Kuwait	900-777	Netherlands	0031-31	Portugal	00351-351		
Lebanon	158-9777	New Zealand	0064-64	Puerto Rico	1-800-877-8000		
Lithuania	370-370	Norway	0047-47	Saudi Arabia	966-966		
Luxembourg	352-352	Paraguay	0059-59	Singapore	65-65		
Malaysia	600-016	Peru	0051-51	South Africa	27-27		
Mexico	19-0987	Philippines	0063-63	Spain	0034-91		
Monaco	377-377	Portugal	00351-351	Sweden	0046-8		
Netherlands	0031-31	Puerto Rico	1-800-877-8000	Switzerland	0041-41		
New Zealand	0064-64	Saudi Arabia	966-966	Taiwan	0086-14-0877		
Norway	0047-47	Singapore	65-65	Thailand	0066-66		
Paraguay	0059-59	South Africa	27-27	U.S. Virgin Islands	1-800-877-8000		
Peru	0051-51	Spain	0034-91	U.K.	0044-44 or 0600-800-800		
Philippines	0063-63	Sweden	0046-8	U.S.	1-800-877-1982		
Portugal	00351-351	Switzerland	0041-41	West Bank	0097-97		
Puerto Rico	1-800-877-8000	Taiwan	0086-14-0877				
Saudi Arabia	966-966	Thailand	0066-66				
Singapore	65-65	U.S. Virgin Islands	1-800-877-8000				
Spain	0034-91	U.K.	0044-44 or 0600-800-800				
Sweden	0046-8	U.S.	1-800-877-1982				
Switzerland	0041-41	West Bank	0097-97				
Taiwan	0086-14-0877						
Thailand	0066-66						
U.S. Virgin Islands	1-800-877-8000						
U.K.	0044-44 or 0600-800-800						
U.S.	1-800-877-1982						
West Bank	0097-97						

INTERNATIONAL Herald Tribune

The Lies on El Salvador

Secretary of State Warren Christopher is right to order a full inquiry into what looks like deliberate concealment of human rights crimes in El Salvador...

Thomas Enders, then the hemisphere policy chief, has come clean about the State Department's deception. Referring to the El Mozote massacre, he says, "I now know that the materials we and the embassy passed on to the Congress were wrong..."

Don't Backtrack on Gays

We think too much was read into President Bill Clinton's news conference comments concerning the possibility of restricting the jobs homosexuals may perform in the military...

restate his case for signing the executive order this summer. It is one thing for the president to overlook the petty insults from military subordinates who oppose his plan...

Touching the Third Rail

The U.S. Senate cast what may turn out to have been a historic vote this week. It was not the final vote on the budget resolution incorporating President Bill Clinton's economic plan...

time. The giant program has been called the third rail of American politics, which is why the politicians kept one remove from it even during the supposed emergency of 1983...

Phony Campaign Reform

President Bill Clinton said he would provide some kind of political reform, and he has — phony reform. Here is the plan as it stands: Double the amount of money the richest Americans can give to support federal campaigns...

cash lost to show-window scruples. The Democrats will simply take the money in a different form by doubling the total amount that an individual can give in a year...

The Lone Nuclear Cop Needs a New Lever

WASHINGTON — In the old days of the Cold War when Washington and Moscow policed the global nuclear beat, their lever was the Nuclear Nonproliferation Treaty, now 25 years old...

By Stephen S. Rosenfeld

century's bruising encounters between events in the world and politics at home. Look at the cautious American response in crises, as in Yugoslavia, far below a nuclear threshold...

Even Worse In Bosnia, And Soon

By Anthony Lewis

BOSTON — The tragedy in Bosnia is terrible now, the worst human disaster in Europe since the crimes of the Nazis. It is going to get a lot worse soon...

For Real Victory, Yeltsin Needs Control of the Ruble

WASHINGTON — Boris Yeltsin has gained no more than a reputation for his loss to the Russian Communists. To win a decisive victory he must now win control over the commodity that is at the root of the struggle: the Russian ruble...

By Jim Hoagland

Only a year separates the Communist Party's election of Yeltsin as president in 1991 from the June 1991, free and fair election of Mr. Yeltsin as president. But the mandates of the congress and Mr. Yeltsin come from different political eras...

ical dialogue with Japan, the host of the G-7 summit in July and of the mid-April G-7 finance and foreign ministers. Despite repeated requests, Mr. Yeltsin has not received a Japanese visitor since he abruptly canceled a visit to Tokyo in September amid mutual recriminations...



African Democracy: Changing a Continent's Course

WASHINGTON — In the United States, children from grade school on are asked to form class organizations with elected officials. They hear their parents talk of city, county, school board, state and national elections from their earliest days...

By Julius W. Walker Jr.

anyone struggles against — and Africans are not excluded. Jonas Savimbi recently marched out of Angola muttering that the will of the people had been mocked, because he had lost an election that all observers said had been fairly conducted...

Not until early in the 20th century were voters, including women, allowed to elect senators directly. Only later in this century were most black Americans finally enfranchised. In their struggles to find the governmental forms that will serve them best, Africans may need more time than the United States took, as Africans have more inertia to overcome...

No Trace of a Believable Drug Policy

By A. M. Rosenthal

NEW YORK — Bill Clinton is clear, on the record, on what he thinks about the American tragedy of drug abuse. Running for office, he linked it plain and realistically to crime in America, said both were growing dramatically and that "a tough national response" was required...

Then the Democratic Congress and Democratic administration began whacking heartily at funds allotted for Latin American countries to help them reduce drug production. Without preparation and explanation, that step is naturally taken in Latin America as meaning America is packing up its drug war abroad...

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

- 1893: A Strange Find PARIS — Mr. Alderman Scaphman, of Leeds, has had a singular find at Bridlington. He was walking by the seaside when a package was washed on shore. It was safely tied, and inside it there were forty-one cheques and a promissory note of the total value of about \$5,000. They were for the most part drawn in the year 1815, upon a local firm of bankers. All the documents were in a state of almost perfect preservation, the watermarks being very clear. The promissory note is for £3,198.
1918: Back to Canada LONDON — Wives and dependants of Canadian soldiers who are now living in England have received a strong hint to return to Canada as early as possible — unless they wish to stop in England a year or more after the end of the war owing to lack of ship room. The suggestion has already had effect, and numbers of wives and other relatives of Canadian soldiers — many of whom came to England in the early days of the war — prefer to return to Canada now rather than run the risk of a long detention after peace is declared.
1943: LaGuardia to Italy WASHINGTON — Mayor F. H. LaGuardia of New York is shortly to be commissioned in the Army as a brigadier general. It was reported tonight [March 26] in authoritative circles. It is understood that he will report to Governors Island next week for physical examinations and that if he passes President Roosevelt will send his nomination as a general officer to the Senate. It is believed that when the American Army moves into Italy he will be designated to act as military governor of the zone occupied by U.S. military forces. For some time the Mayor has been broadcasting in Italian to the people of Italy, denouncing Mussolini's government for having betrayed them.

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TURMOIL IN BANGLADESH — Police chasing anti-fundamentalist demonstrators in an attempt to prevent them from rallying in central Dhaka on Friday, the 22d anniversary of Bangladesh independence. They are demanding that Golan Azam, head of the fundamentalist Islamic Society party, be tried for crimes allegedly committed during Bangladesh's 1971 war for independence.

Japan Vows Troops for UN Force in Mozambique

By John M. Goshko
Washington Post Service
WASHINGTON — More than two months after President Bill Clinton took office, he still has not asked the Senate to confirm anyone to serve as U.S. ambassador to a foreign government.

Waiting for the Ambassadors Clinton's Nominees Are Still Mainly Hearsay

By John M. Goshko
Washington Post Service
WASHINGTON — More than two months after President Bill Clinton took office, he still has not asked the Senate to confirm anyone to serve as U.S. ambassador to a foreign government.

In Angola, Soldiers Take the Food Aid

By Kenneth B. Noble
New York Times Service
MALANJE, Angola — As manager of the United Nations' emergency food distribution here, Jorge Modesto has become accustomed to seeing shoving matches in hungry mobs when relief planes land at the tiny airport.

capital, severing road traffic and government supply lines.
It is also a chilling example of how soldiers, when given the choice between going hungry and helping starving civilians, almost invariably choose to save their own necks.

tary garrisons, it has become an irresistible target for UNITA. The struggle over Malanje and the consequent effect on food supplies have ignited a wrenching debate among relief organizations and diplomats over how much risk their volunteers on the front lines should endure.

AMERICAN TOPICS

Putting a Dollar Value On Household Tasks

The official U.S. measurement of economic output does not measure cooking dinner, vacuuming the house, dispersing the baby or other unpaid domestic tasks performed in many households. But should it?

No country includes such work in its official national account.

France, however, publishes a "satellite GDP" that includes unpaid work, and Germany, Norway, New Zealand, Australia and Canada are collecting data on unpaid contributions.

Porsche spokesman said Goodby "impressed us with their automotive experience."

MCA Inc., the entertainment conglomerate, is now free to call its new Los Angeles theme park City Walk, having reached an out-of-court settlement with City Walk, which runs two Chinese restaurants in the city. Terms were not disclosed.

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Many in Eastern Germany Redirect Their Anger

By Marc Fisher
Washington Post Service

LEIPZIG — The last time East Germans marched in a ring around this city, Klaus Wenzel was with them. There were 100,000 people in those Monday night demonstrations in the autumn of 1989, maybe more, and they made history, bringing down East Germany's Communist regime and pushing two Germans into one.

This past Monday night, Mr. Wenzel stood on the sidewalk, watching thousands of his fellow East Germans as they followed the same path they had in 1989. This time, Mr. Wenzel will not march.

Mr. Wenzel has a job. Most of the people walking past him, holding candles, banners or a friend's hand, do not.

Fed up with 40 percent unemployment, the closings of many of the region's major industrial plants and wages that still lag far behind those in Western Germany, Eastern churches, trade unions and political groups have revived the Monday demonstrations under the slogan, "We've had it."

This week, about 15,000 East Germans came bearing signs calling for "Equal Pay for Equal Work" and asking, "When Will We

Stop Being Second-Class Citizens?"

Once again, the pastor at St. Nikolai Church's Monday peace prayer faced the frightened and insecure and described "the importance of standing by the other."

Once again, the people of Leipzig streamed out of church and shuffled into the main square, then around the city ring, pledging to do this every week until the Bonn government hears their cry.

What is different this time is that East German society has been cleft between those who see a path in the new system, and those who don't.

"It was totally different in 1989 — that was a people revolting against their government," said Peter Langer, local chairman of the Committees for Justice, a grassroots group that drew large crowds to its booths here despite the group's links to the former Communist Party. "Now, society is so differentiated. We went our own ways and we don't stick together anymore."

Mr. Langer, 59, is a member of what Bonn politicians call the lost generation, the older East Germans who will most likely never work again. Mr. Langer lost his job as an engineer at a company that makes bookbinding machinery. The factory cut its work force from 3,000

to 400 workers, and still may not survive.

"Why should we be punished for being born here?" he asked.

Mr. Wenzel, the bystander, who is a professor of medicine, feels liberated rather than punished.

"I'm thrilled by the new possibilities I have," he said. "Mostly they're here for jobs, or because they've lost the social safety net. And yes, there are new social injustices, but things weren't better before."

A banner held aloft over the crowd read, "1.3 million jobs destroyed, 98 percent of Western price levels, 52 percent of Western pay levels — The tendency toward violence grows."

"Man does not live by bread alone," the Reverend Christian Führer said at Monday's peace prayer. "Some are cynical in this hour. Many of us are doing poorly, some have fallen very deeply into bad times. There is deep humiliation in this hour."

"We will not find satisfaction in the fulfillment of our justified demands for better pay," he said. "We must finally approach our neighbor and ask for help."

The pastor's appeal to a brotherhood that many East Germans believe is being lost to a more compet-

itive and individualist Western ethic may have struck a chord with his audience. But on the far more crowded street outside, the talk was about being paid, not being neighborly.

"Until a few months ago, I believed an Eastern graduate would have the same chances as a Western graduate in finding a lucrative apprenticeship," said Anna Brandt, a student who addressed the crowd. "Then I had to experience my friends getting nothing while Westerners got all the prime positions."

"We've realized in the last three years that there is a basic human right to work," said Ehrenfried Pöschke, who lost his job teaching political science at Leipzig's university. "Sure, now we can travel and we can speak out, but if you have no money, you can't use those rights."

West German unions and opposition political parties are trying to capture the new Leipzig rage for themselves, hoping that the dissatisfaction can be turned against Chancellor Helmut Kohl.

But the East German anger is most often directed at all the major parties in Bonn. And the West has been quick to denounce the new demonstrations as an ungrateful abuse of the powerful symbol of 1989's Leipzig marches.

"The Germans in the former East Germany should know that a living, indigenous economy cannot become productive from one year to the next," the Frankfurt Allgemeine newspaper said in a front-page editorial that instructed East-erners to be more patient.

Angela Merkel, the German minister for women and youth, who is one of two East Germans in Mr. Kohl's cabinet, on Tuesday blasted the Monday marches as "regrettable and dangerous."

"Although I understand the people," she said on German radio, "I find Monday an improper day for these demonstrations because it suggests that we face the same

problems." She was referring to the problems that existed in 1989.

In a rear corner of St. Nikolai, a bulletin board marked "Information" has stood since the mid-1980s as a chronicle of dissent and a source of help for the lost and searching. During the 1989 revolution, it was here that illegal citizens' groups posted their appeals and aired their gripes.

These days, the notices speak of a different set of problems. A letter from the city council announces the opening of Leipzig's first shelter for the homeless, along with Four Walls, an advice center for those who have lost their apartments to soaring rents or returning Westerners who have reclaimed their properties.

A flier delivers an impassioned defense of foreign residents, who neither take German jobs nor increase local crime rates, the church reminds those searching for scapegoats. There are offers of counseling for those who have read the files the East German secret police kept on them.

And there are many services for the jobless: counseling, social groups, even a special café. But nothing is on the board about jobs.

Bonn Acts To Curb Outbursts Of Racism

Reuters

BONN — Billboards, car stickers and badges urging Germans to reject racism will flood the country in a campaign against anti-foreigner violence started Friday by Interior Minister Rudolf Seiters.

"Confronting extremism, hatred of foreigners and violence cannot only be a task for the police, courts and other state institutions," Mr. Seiters said. "It is also a task for society as a whole."

A statement issued by his ministry said the campaign would also feature newspaper advertisements and information in schools about the need to show understanding, respect for human dignity and to condemn hatred against foreigners.

Mr. Seiters said the number of xenophobic incidents had fallen since a wave of extreme rightist violence began in mid-1991, but that Germans must not relax their efforts to fight racism.

"We Germans know from our painful history that extremism, hatred and violence have always brought disaster," he said.

Examples of intolerance continue. In the East German village of Eichhof on Thursday, 400 citizens protested plans by Mecklenburg regional authorities to set up a home for asylum-seekers in their neighborhood. Villagers abused and intimidated two officials at a meeting on Thursday, a spokesman for the Mecklenburg state Interior Ministry in Schwerin said.

"If the asylum-seekers come here the house will burn," the spokesman quoted one Eichhof resident as saying.

Residents blocked the entrance to the planned reception center, which is destined for 200 Romanian refugees from a crowded home for asylum-seekers in the port of Rostock. The city was the scene of racist riots last August.

Seventeen people, including seven foreigners, were killed in more than 2,285 incidents of neo-Nazi and rightist violence last year, up 50 percent from 1991.

Mr. Seiters said 173 criminal acts by extreme rightists were reported in the first 10 weeks this year, down nearly 40 percent from the same period in 1992.

He attributed the drop to a government crackdown on neo-Nazi groups and marches against racism by hundreds of thousands of Germans after three Turks were killed in an arson attack near Hamburg in November.



GAZA MOURNS — A woman crossing under a flag flying upside down, to signal grief over victims of Israeli clashes.

German Steelworkers on the March

The Associated Press

BONN — An army of steelworkers marched through Bonn on Friday demanding Chancellor Helmut Kohl's help in rescuing Germany's steel industry.

Organizers said nearly 100,000 protesters turned up, while the police said about 70,000. Either way, it was one of the biggest protests to hit the federal government since the anti-missile marches of the 1980s.

Franz Steinkühler, chairman of IG Metall, the

powerful steelworkers union, told protesters that the steel industry's woes mirror an economic, social and political malaise afflicting Germany more than two years after reunification.

Germany and other West European nations are under pressure from the European Community to cut steel production. In addition, steel from the former Soviet bloc nations is being sold at bargain prices. Union officials say up to 55,000 of 125,000 jobs are in jeopardy from plans to shut down plants because of overproduction and world recession.

U.S. Hopes to Try Salvador Officers

Los Angeles Times Service

WASHINGTON — The Clinton administration may seek to try Salvadoran military officers to trial in U.S. courts for human rights abuses, according to Secretary of State Warren M. Christopher.

Shortly after a UN-appointed panel accused the Salvadoran Army of abuses last week, legislators pushed through an amnesty. But Mr. Christopher said in congressional testimony that international law may permit prosecutions in foreign courts.

IBM: New Chief Vows a Hard Look

(Continued from page 1)

to none," said Jeffrey Somenteil, who heads the Center for the Study of Leadership at Emory University in Atlanta. He pointed out that Mr. Sculley, who turned Apple from a company thriving on its founder's whimsies into a modern corporation, came from marketing Pepsi-Cola and not computers.

Moreover, James E. Burke, retired chairman of Johnson & Johnson and head of the IBM search committee, pointed out that when Mr. Gerstner was president of American Express Co. in the 1980s, "among his many accomplishments was trend-setting use of computer technology to gain strategic advantage."

Mr. Gerstner, who keeps an IBM PS/2 personal computer in his office, was the architect of American Express's computerized strategy of segmenting its huge customer base into income, ZIP code, purchasing preference and other identifications. These, when translated into direct mail solicitations, flood consumers with junk mail but also contribute to the company's otherwise troubled balance sheet.

"IBM is going to continue as a loosely confederated group of business units in the perestroika that

Akers began, then the directors must have decided that someone like Gerstner is the right choice to run it," said David Wu, an S.G. Warburg analyst and former IBM employee.

"He has experience in spin-offs and sell-offs from RJR and a successful finance and marketing background from American Express, and he knows how to run complex organizations," Mr. Wu said.

Among the IBM divisions that have been rumored to be on the block are the personal computer, high-end printer, and peripherals divisions, although Mr. Gerstner gave no hint of his plans.

The principal criticism is that although he is brilliant at corporate architecture, his record at product innovation is spotty, and individual products do not always thrive despite his close attention to detail.

An example is in RJR's tobacco business. Its Winston, Camel, and Salem brands have failed to keep their hold on a declining market, and the company was late getting into discount brands. John Maxwell, analyst at Wheat First Securities in Richmond, Virginia, said this was RJR's principal unsolved problem.

FRANCE: Race Gets Nasty

(Continued from page 1)

close personal friend of Mr. Dumas's who is the widow of the billionaire Saudi arms dealer Akram Ojeh.

Mrs. Ojeh is also the daughter of Syria's defense minister, Lieutenant General Mustafa Tlas, who played a leading role in the massacre of thousands of people during a religious fundamentalist uprising in the northern Syrian town of Hama in 1982.

General Tlas also has been accused by U.S. drug investigators of seizing large shares of profits from the flourishing hashish trade in Lebanon.

Jean-Jacques de Peretti, the Gaullist candidate who hopes to defeat Mr. Dumas in Sunday's runoff, attacked what he called the "dirty money" behind the scammer and the clumsy effort to sway voter loyalties.

Mrs. Ojeh says she is "scandalized by the political exploitation of this humanitarian gesture."

BUDGET: Troop Cut of 30,000

(Continued from page 1)

tion of the M-1 tank, the upgrade of the Bradley Fighting Vehicle, the Blackhawk helicopter, the F-16 fighter, the Aegis-class destroyer and the C-17 aircraft.

Pending results of an overall re-

view later this year, the budget also protects development of such weapons as the F-22 aircraft, the Comanche light helicopter, the Centurion attack submarine and the V-22 Osprey hybrid aircraft.

The budget maintains funds for the space-based Strategic Defense Initiative at about last year's level of \$3.8 billion, with greater emphasis on developing a theater missile defense to focus on regional conflicts.

The "brilliant pebbles" program involving ground- and space-based interceptors to destroy enemy missiles and favored by many Republicans will be limited because financing for it and other programs will total only \$400 million.

Missing from the budget is any spending on the Seawolf submarine. However, the budget includes \$449 million for the new attack submarine, the Centurion.

The budget also calls for \$2.6 billion for six C-17 aircraft, the transport cargo plane that has been criticized for cost overruns and design problems.

The budget includes \$1.7 billion to complete the B-2 Stealth bomber program at 20 planes.

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Mobutu Summons Former Assembly

The Associated Press

BRAZZAVILLE, Congo — President Mobutu Sese Seko of Zaire said Friday that he would convene the country's former National Assembly in an attempt to override the transitional parliament imposed by pro-democracy groups. The transitional legislature has refused to take orders from Marshal Mobutu, including a demand that it dismiss Prime Minister Etienne Tshisekedi.

Marshal Mobutu, whose term expired in December 1991, said on state radio that he would call back into session on Monday the assembly elected under his one-party rule.

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Contemporary Art, Up and Coming

LONDON — It now seems only a matter of time before Contemporary Art occupies the place that has been held for three decades by Impressionism, eventually reinforced by the other avant-garde movements of the late 19th century. It is likely to happen sooner rather than later.

A new stage in the process was reached this week as Sotheby's held its auction of Impressionist, Modern and Contemporary Art and Ceramics on Wednesday and Thursday. For the first time in London auction history, all three categories had to be lumped

SOUREN MELIKIAN

together into a single catalogue. The holdings, not just of Impressionism, which have long been dwindling to their current trickle, but, more ominously, of early 20th-century masters as well, were too flimsy to justify separate catalogues.

The inclusion of ceramics carrying the signatures of Picasso and Jean Cocteau and of ballet costume designs by Erté, as Romain de Tiroff was known, was meant to bolster the offerings but served just as much to emphasize the scarcity of marketable goods in the field. Yet, in this respect, Sotheby's came out best.

Christie's, running short of presentable merchandise, deemed it preferable to scrap the Impressionist and Modern themes altogether. It only had a Contemporary Art session in its main rooms at 8 King Street on Thursday afternoon, having dispatched to Christie's South Kensington on Brompton Road whatever Impressionist or Modern ultra-lightweights it had to dispose of. "Serious art" at Christie's and Sotheby's alike now is set aside for semiannual sales in May and November in New York, in early summer and late autumn in London.

This does not mean that the unambitious auctions of the kind that were put together this week are of no interest to sophisticated buyers. Quite the contrary. In a context that does not lend itself to hype, prices reflect more truthfully the spontaneous reaction of the market. Moreover, unconventional works that might not easily fit into the bigger auctions can be seen.

This was illustrated at Sotheby's Wednesday sale by the very first lot, a pencil drawing by Cézanne. It provides a fascinating insight into the painter's own perception of 17th-century art. The vigorous sketch must have been done in the Louvre as the painter sat or stood, ped in hand, in front of the marble bust of Charles le Brun by Antoine Coysevox.

The carefully chiseled curls of the big Louis XIV period wig have been jotted down in quick, curving strokes. Curiously, what could have been a banal documentary sketch has the same swirling rhythmic quality as some of the preliminary studies for bathers in pen and wash done in the years 1892-1895. Copies, or interpretations by one artist of another artist's work, are traditionally disregarded and priced accordingly. At £7,590 (about \$11,150), Cézanne's drawing of a

marble sculpture by Coysevox did not even match the low estimate.

More interesting still was a small landscape done by Eugene Boudin around the mid-1850s. This is about 10 years before Boudin developed the manner that was to usher in Impressionism through the influence that Boudin had over his pupil Claude Monet.

A man holding a fishing rod leans back against the slope of a grassy embankment of a moat. The still waters send back reflections of a stone wall breaking at an angle on the opposite side, and of the sky full of clouds. The elaborate, sophisticated composition, the feel for delicate light nuances in cold hues, and the mood of subdued melancholy betray the influence of earlier English artists such as Constable.

The brushwork, while carefully applied, aims at a sketchier effect. The small panel, 24 by 32.5 centimeters (9 1/2 by 12 3/4 inches) is a rare illustration of an early stage on the road to Impressionism, making it worth every penny of its £18,400.

A third curiosity that would hardly be seen in a major sale was the view of a village road by Victor Vigon (1847-1909), probably dating from the late 1870s. Vigon, who belonged to the conservative fringe of Impressionism, does detailed landscapes in a color scheme resembling Sisley's or Monet's. The village road went for £10,925, well within the price bracket that his work has been fetching at London auctions in the past two or three years.

Early-20th-century art, not quite so depleted yet as the Impressionist field, still offers the best finds. Wednesday's sale included a rare top quality sculpture, Alexander Archipenko's bronze called, in French, "Torse," was inspired by those fragmentary statues from antiquity in which most of the body survives while the head, arms and feet have been broken off.

It was executed in 1914 when Archipenko was 27. The piece must have been cast, trimmed and patinated by the artist or under his supervision. Technically, it is a masterpiece of bronze making. Aesthetically, it combines neoclassical figures in the lower part and the Cubist vision of form in the handling of the bust, abruptly cut off by a slanting edge. At £29,500, "Torse" was a clever buy.

Those looking for a softer version of modern aesthetics could settle for a ceramic plaque painted by Cézanne in 1956. Done as a single specimen, clearly from the artist's own hand, it is as good as Vallauris ceramic can be. The plaque typifies the popular image of Cézanne's art — two eyes set at different levels and a curving motif that on closer inspection turns out to be a nose, make up a human face of sorts — in a jocular style suited to the Riviera mood. It made £69,000, precisely the middle estimate given by Sotheby's.

Other pieces, mostly dishes, churned out in editions of 50 to 500, could be had as Picasso badges for prices ranging from £300 to £5,000 — probably far too much given the goods. And that was about it for the meager pickings of Impressionist and early 20th-



Alexander Archipenko's "Torse."

century masters worth considering amid a trail of mediocrities carrying the signatures of Montezin, Delavallée and others.

Hence the need to draw upon the available resources of more recent art dating from the decades following the end of World War II. Activity is brisk in a market that has recovered its vitality by having its prices drastically slashed, making those who operated in it until the 1990 art crash lose huge amounts of money.

Jean Dubuffet's art is a typical example. Two pictures by the French artist each made the highest single contribution to Sotheby's auction on Thursday morning. One, "Desnuda," shows a woman standing in the nude, handled in Dubuffet's outsized cartoon style. Estimated to be worth £60,000 to £80,000, it went up to £115,000 plus premium (i.e. £128,500).

Tobias Meyer, Sotheby's newly appointed director of contemporary art in Europe, was quite pleased about the price. The vendor may have been less happy. On March 18, 1990, "Desnuda" was knocked down in a Versailles auction conducted by Perrin Royère La Jeunesse at a whopping 6.8 million francs, more than five times the Sotheby's price.

THERE have been other such cases in recent months, of which the worst by far concerns "La Calipette," considered to rank among Dubuffet's important works. Sold for £2.53 million in April 1990 at Sotheby's, where it then set a much trumpeted world record for the artist, "La Calipette" turned up again at Drouot-Montaigne in November 1992 and was knocked down at 6 million francs, one-quarter of its previous price.

The average decline in prices for post-World War II art from Europe is not nearly as catastrophic, however. These have stabilized at 40 to 60 percent below the level reached at the height of the market in 1990, according to Meyer.

He may be slightly optimistic in his assessment. But there is no doubt about the buyers' regained eagerness. At Sotheby's on Thursday, Meyer stresses, several bidders jumped in each time a desirable piece came up. Significantly, the 72 postwar paintings, drawings and sculptures that found buyers, out of the 102 offered in the morning, added up to just over £1 million (about \$1.47 million). This is more than £751,000 realized on Wednesday by the 72 "Impressionist and Modern" works of art.

In Christie's Thursday afternoon sale, the score for postwar art looks better. There were fewer lots failing to sell (23 out of 192) and the failure rate by value was kept down to 7.5 percent.

This is remarkable given the quality, deemed by all professionals to be very low. It proves that contrary to a much-touted-out axiom, low quality art often sells best as long as prices are commensurately modest. And it shows, above all, that demand for postwar art is strong, and rising steadily.

We have entered an era that has as much to do with the changing culture of our time as it has with the market.



Robert Guinan's "Maida" (1990): Monumentality in the midst of squalor.

Master of Nocturnal Lives

By Michael Gibson
International Herald Tribune

PARIS — Robert Guinan is an unusual artist whose strongly atmospheric paintings are much appreciated in Europe, though they are viewed with some suspicion in his own country and particularly in Chicago, where he has been living since 1959. Considering the subjects Guinan has been dealing with over the past 25 years this suspicion may be motivated by the idea that his art is burdened with a social message.

This is not the case — the message is not social, but humanistic. This white middle-class artist leads something of a double life, sharing his nights between his family and the marginal characters and prostitutes (mostly black) that haunt the shabby bars like the one on Halsted and Division streets depicted in some of his paintings. This is his dominant subject matter, but it is by no means exclusive, as can be seen in his current exhibition at the Albert Loeb gallery in Paris (to April 30).

His paintings may, at first glance, resemble the work of Edward Hopper. Both depict lonely people. But while Hopper painted canvases saturated with strong and luminous colors and dealt with the situations and emotions of white middle-class characters, Guinan paints nocturnal scenes in muted colors, evoking the lives of poor blacks in sober terms. Even his outdoor scenes are painted at night. Indeed, he declares that he had rather work at night and he does not allow sunlight into his studio.

"I probably have a romantic attitude," he said during a recent visit to Paris.

When Guinan was a young man living in Watertown in upstate New York, the town was divided between the "real Americans" on one side of the track and Italian immigrants on the other. "They were the despised minority," he recalled, "but they had a radio program in which they played Sicilian tarantellas, and I became entranced with that music. Later on, when I was in the army, I became fascinated with American blacks and with jazz, and in time I began to realize that I was in love with any culture except my own."

His portraits of blacks done in the 1970s earned him a negative review in The New York Times — his last in an American newspaper — but they were very well-received in Paris. The French curator and critic Jean Clair later chose Guinan for various shows, including the Venice Biennale in 1982.

Guinan has painted such figures as the gospel singer Sister Carrie Robbins and the poetess Margaret Danner, but his recurrent subjects have been Emile Breda, a gifted but totally marginalized pianist, and Geraldine, a black prostitute.

Guinan speaks of both with much warmth, and while their portraits stand on their own, certain aspects of their lives, as revealed by Guinan, inevitably add intensity to one's perception of them.

A small woman with a bare hip, Geraldine got pregnant for the first time when she was 13. Without support or training, she turned to prostitution, but tried to keep her children from learning about the

nature of her activities. A few years ago, however, some neighbors decided to clue them in. The youngest son was then seven. The children went to their mother and told her she had to stop. "You want me to stop?" she said. "O.K." The children were pleased. But when she served them nothing but beans for the next couple of days, they began to protest.

Geraldine matter-of-factly pointed out her lack of professional qualifications and suggested that if they wanted her to stop, that was fine, but there would be consequences, and maybe they should talk things over among themselves while she went into the other room. A few minutes later, the seven-year-old knocked on the door and informed her that it was all right by them if she continued for the time being.

Geraldine's life was ultimately a success, Guinan says. She met a very articulate man, a recovering alcoholic, and they married. One of her sons is very bright and earned a university scholarship. "I find this is an enormous victory over a very difficult life," Guinan concludes, adding that "this has nothing to do with my painting. It wasn't my reason for choosing her in the first place. I'm not a sociologist!"

His empathy for minorities does lead him to dignify the figures he chooses to paint by endowing them with a certain monumentality in the midst of their squalor.

His numerous portraits of Geraldine show her sitting or reclining in a perfunctory, while Emile Breda is portrayed in various positions and, in one 1970 portrait, sitting, nude, at the piano.

Guinan sees Breda as a victim. His was a poor black family from Louisiana, and as a child he was a self-taught prodigy on the piano. Because he is very light-skinned, his mother did everything to make him white. Characteristically, when he neglected to have his hair straightened for a high-school yearbook photograph, his mother took a sharp object and scratched out the top of the boy's head on the picture.

"He began to see nothing but English films to learn the accent. Today he tries to speak very British. He has a good brain and an incredible vocabulary. But this superb language flows out for no purpose except image because he has never done anything, although he occasionally plays music in bars. He doesn't like black music, for instance, because it's 'ignorant.' But he likes Debussy and Bach. His problem has been one of racial identity and he hasn't been able to deal with it. Other blacks have, but he hasn't and the conflict has stopped his whole damn life. This is a superb mind that has been wasted."

The paths of such lives inevitably come home through Guinan's paintings. In them the terrible force of subjective experience is condensed into strong straightforward images that remind one of Proust's conclusion in "Remembrance of Things Past": "Only those things are real," he said, "that have been re-created."

FOR SALE / SOLD

Amie Oakley's gun: The Winchester rifle that Amie Oakley used in Buffalo Bill's Wild West Show was sold at auction at Christie's in London for £84,000 (\$124,320). Collector Greg Martin of San Francisco bought the smoothbore rifle, made in 1888 to the requirements of Amie Oakley.

"Crown Jewels" stamps: A stamp collection that experts regard as the world's most valuable and containing the so-called "crown jewels" of philately is to be auctioned in Switzerland later this year. The collection, estimated to be worth several

million dollars, contains stamps from Mauritius issued during the 19th century. It is known as the "Kanai Mauritius" after the millionaire Japanese collector Hiroaki Kanai. The sale is at auctioneers David Feldman in Zurich in November.

Treasure Trove: A treasure of 18th-century gold coins, ingots and other riches found last year off the coast of Uruguay, valued more than \$2.9 million in a two-day Sotheby's auction in New York. The Spanish galleon was believed sunk by pirates 200 years ago.

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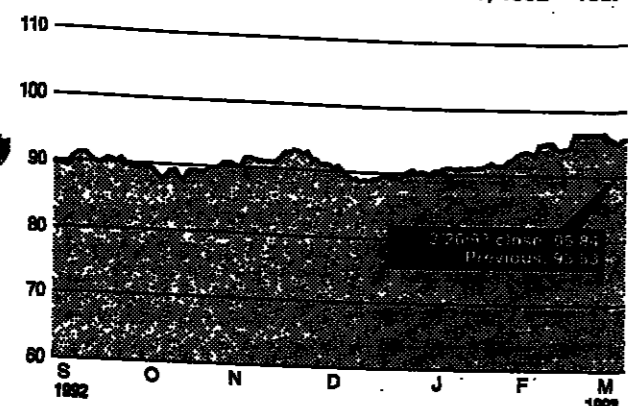
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Region	Approx. weighting	Close	Prev.	% change
Asia/Pacific	25%	95.54	98.09	-2.57
Europe	40%	94.11	92.94	+1.17
N. America	35%	95.94	96.85	-0.91

Industrial Sectors	PL	Prev.	% change
Energy	100.87	100.33	+0.54
Utilities	96.86	95.35	+1.58
Finance	94.12	94.01	+0.12
Services	109.20	108.45	+0.75

ECONOMIC SCENE

A Growing U.S. Export: Japanese 'Global' Cars

By Jane Perlez
New York Times Service

GEORGETOWN, Kentucky — Every so often on the Toyota Motor Corp. assembly line in Georgetown, a Toyota Camry takes shape with the steering wheel on the right side. The car's destination are the ports of Taiwan, Japan, and elsewhere.

After a decade of making cars in America, Japanese automakers like Toyota and Honda are turning their ships around and sending U.S.-made cars to Japan, Taiwan, the Middle East and Europe.

It began as a trickle a few years ago, but exports are rising and are expected to keep growing for a host of reasons. These include Japanese auto executives say, the heightened efficiency of Japanese plants in the United States; the improved quality of American-made cars, and the cost benefits of making cars in the United States instead of Japan.

In an age of multinational corporations, executives and global markets, Japanese car companies like Toyota and Honda Motor Co. are pioneering the auto industry's first truly global manufacturing system. The idea is to perfect a car's design and production in one place and then churn out thousands of "world cars" each year that can be made in one place and sold around the globe.

In the automotive industry, where developing cars for different markets can cost billions of dollars, what Toyota and Honda are attempting — and what Ford Motor Co. is trying to mimic — could sharply cut development costs, maximize the use of assembly plants and preserve the assembly-line efficiencies that are a hallmark of the Japanese lean-production system.

In developing a strong export market, Honda is aiming for a "global base of complementary supply," said Roger Lambert, a U.S. executive of Honda. "Japan can supply North America and Europe," he said. "North America can supply Japan and Europe, and Europe can supply Japan and the United States."

Politically, with Japan running a huge trade surplus with the United States, Toyota and Honda acknowledge that it is helpful for them to show Washington they are at least attempting to correct the imbalance by sending cars back home.

And with an agreement last year to increase the flow of autos and parts from America to Japan, Toyota and Honda are only too happy to devise a way to ship their cars back from the United States.

French Aristocrats Of State Industry Watch Their Necks

By Jacques Neher
Special to the Herald Tribune

PARIS — Their political correctness in question, several captains of French industry and finance will be sailing in very perilous waters after France's conservatives consolidate their overwhelming victory in Sunday's run-off election.

Among the state-owned companies likely to get new bosses are Soci t  Nationale Elf Agip, Credit Lyonnais, Banque Nationale de Paris, and the insurance groups GAN and AGF. The presidents of Air France and the computer maker Groupe Bull were also considered vulnerable.

At the same time, the arrival of the right in power may entice other top executives to trade in their corporate suits for high government portfolios. Among those mentioned as possible interestees in ministerial posts are Jacques Calvet, chairman of Peugeot, the automaker; Didier Pincus-Valencienne, chairman of Schneider, the factory automation maker; Jean Genolfs, chairman of the aluminum concern Pechiney; and Michel Bon, former chairman of the food retailer Carrefour.

Though some executive changes at the state companies are expected quickly — the bet-

Fiat Denies Alleged Slush Funds

By Alan Cowell
New York Times Service

ROME — Fiat SpA, Italy's auto giant and biggest private company, locked horns with the magistrates investigating the country's corruption scandal on Friday, denying suggestions that it operated foreign slush funds to bribe politicians, but admitting that some of its managers may have paid bribes.

The denial was the latest twist in the saga known as Tangentopoli — Bribe City — that, in recent days, has shown corrupt practices spreading from businessmen and politicians in northern Italy to the diversion of funds intended for earthquake relief, to the country's foreign aid budget and to southern cities linked to organized crime.

The Fiat statement from the company's Turin headquarters was inspired by news Thursday that the investigating magistrates had refused bail to two senior, jailed Fiat executives on the grounds that they might tamper with evidence if released.

It was the first time that the Italian conglomerate, which employs some 300,000 people, had set its corporate weight against a decision by the Milan magistrates and the courts.

The company's top financial officer, Paolo Francesco Martelli, and another high-ranking executive, Antonio Mosconi, were jailed more than a month ago as magistrates pursued investigations into purported corrupt ties between Fiat's construction subsidiary and political parties. An arrest warrant has been issued for a third executive, Riccardo Ruggieri, head of a London-based Fiat subsidiary, New Holland Geotech, and a former director of its Iveco truck division.

They are among hundreds of businessmen and politicians to have been arrested or interrogated in a ballooning corruption scandal that has unveiled systematic illicit payments to finance political parties in return for public-works contracts and other favors.

Investigators in Milan opposed bail for the two arrested executives by citing allegations

that since at least 1982, the auto giant used subsidiaries in Africa and Argentina to channel illicit funds to the dominant Christian Democrats and other parties.

Moreover, the magistrates asserted, Fiat operated a Swiss account in the name of Reno Management to divert unlawful funds to political parties.

In its statement, Fiat said its foreign funds were "assets held by Italian companies regularly operating abroad and these fell into the sphere of their normal, autonomous management."

It added: "An international group like Fiat, which is formed of over 1,000 companies (including those that are controlled by Fiat and others in which Fiat is a shareholder), which realizes most of its sales volume (about 97 percent) on the private market, certainly does not have strategies to create illicit relationships coordinated and centralized with the political system."

However, it advanced the same argument as some politicians have done to proclaim their innocence — that everyone else was doing it.

"If a few managers found themselves working in an environment where distorted practices existed in furnishing supplies to the public system, they have had to submit themselves to increasingly pressing conditions imposed by the system of tenders," the statement said.

Fiat's overseas revenue, the company says, is around \$20 billion.

Judicial officials Friday quoted magistrates as saying that payments to politicians "could not have been the fruit of the autonomous initiative of the heads of individual companies without the knowledge of top management."

It was not clear if that was a reference to Mr. Martelli — reckoned to be the No. 3 man at Fiat after Managing Director Cesare Romiti and Chairman Gianni Agnelli.

The allegation against Fiat was not the first time investigators have spoken of corporate slush funds. Earlier this month, Gabriele Cagliari, chairman of the state-run energy giant Ente Nazionale Idroelettrico, usually known as ENI, was arrested and told investigators that the corporation used overseas subsidiaries to channel funds to big political parties.

Mr. Cagliari reportedly said the system predated his arrival at ENI in November, 1989. His predecessor, Franco Reviglio, who is now finance minister, has denied knowledge of the illicit payments.

While the investigation has focused principally on businessmen and politicians, it branched this week into foreign aid funds with the arrest of Giuseppe Santoro, the former director of aid to the Third World and Italy's ambassador-designate to two Rome-based United Nations agencies. He is accused of extortion and abuse of power.

The former foreign minister, Gianni De Michelis, is already under investigation for misleadingly concerning Italian development aid to Somalia, Sudan and Bangladesh.

Airlines Near Merger Decision

By Richard W. Stevenson
New York Times Service

LONDON — Scandinavian Airlines System, KLM Royal Dutch Airlines, Swissair and Austrian Airlines, which have been discussing closer ties, will decide soon whether to merge into a more muscular carrier capable of surviving in an increasingly competitive industry, company executives said Friday.

Negotiating teams from SAS, KLM, Swissair and Austrian could recommend to their managements as soon as next month whether to proceed with a full-fledged merger or a more limited agreement to tie together their flight schedules and their marketing and maintenance programs, the executives said.

But they denied reports in two Danish newspapers Friday that they had already decided to combine forces in a new company in which Austrian Airlines would hold a 10 percent stake and the other carriers 30 percent each.

"At this point no decision has been made," said John A. Herbert, a spokesman in Stockholm for SAS.

German Bid for Pirelli's Conti Stake

By Alan Cowell
New York Times Service

HANNOVER, Germany — A group of German companies and banks will offer to buy a 33 percent stake in the tiremaker Continental AG that Pirelli SpA and associates acquired in a failed bid for control two years ago, the German side said Friday.

In Milan, the Italian tire and cable maker refused to comment on the proposed, two-part offer.

A consortium of companies organized by the Lower Saxony government will offer to buy a 15 percent Continental stake for 310 million Deutsche marks (\$190 million), the state government said.

Additionally, Deutsche Bank AG plans to buy an 18 percent stake in Continental from Pirelli and partners and resell it to institutional investors.

Berlusconi Seeks Damages on La 5

By Alan Cowell
New York Times Service

MILAN — Silvio Berlusconi, the Italian businessman, is seeking the equivalent of 800 million French francs (\$144 million) in damages from Matra-Hachette, his former partner in La Cinq, the French television station that collapsed last year.

Hachette, which held 25 percent of La Cinq, agreed last year to cover losses attributable to Mr. Berlusconi's 25 percent share, said a spokesman for his Fininvest SpA holding company. He said the Italian group was also pressing for unpaid rights on Berlusconi films that were broadcast on La Cinq, adding that the matter was now being sent to Switzerland for arbitration.

Hachette has rejected the demand.

Chill Wind for IBM Blows in Japan, Too

By Andrew Pollack
New York Times Service

TOKYO — Louis V. Gerstner Jr., the new chief of International Business Machines Corp., might soon have one more problem on his hands. In a sign that it can no longer escape the problems that are afflicting its parent company, IBM Japan said Friday that its net income tumbled 45 percent in 1992, its third consecutive decline. Pretax earnings, hurt by a special restructuring charge, plunged 90 percent.

IBM Japan's net income fell to 31.21 billion yen (\$267 million), from 56.48 billion yen in 1991. The net income figures were bolstered by a change in the method of accounting for income tax.

Pretax earnings, which have fallen every year since 1988, plummeted 90 percent to 10.56 billion yen, hurt by a special charge of 15.21 billion yen for a voluntary retirement program and other restructuring measures. Not counting the special charge, pretax profit was down 74 percent.

Revenue fell 1.4 percent, to 1.255 trillion yen, the second consecutive decline.

The Japanese subsidiary, which accounts for about one-sixth of IBM's revenue, has long been one of the biggest money makers for the company, and even now, it is not suffering the losses and huge employment cutbacks that Big Blue is experiencing in the United States and Europe.

Still, the same moves toward small computers and industry-standard software that have hurt IBM's mainframe computer business in the United States are starting to occur here as well.

At a news conference Friday, Kakuro Kitashiro, president of IBM Japan, said the company's 1992 fiscal year for a voluntary retirement program and other restructuring

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Herald Tribune

MARKET DIARY

Rising Interest Rates Rattle Wall Street

Bloomberg Business News NEW YORK — Wall Street stocks slumped Friday as concern about rising interest rates outweighed evidence of a stronger economy and corporate profits.

The Dow Jones industrial average dropped 21.34 points to close at 3,439.98, largely because of a wave of computer-driven sell orders during the last hour of trading.

N.Y. Stocks

New York Stock Exchange trading was moderate, as 221.7 million shares changed hands. Declining issues led advances 8 to 7 on the Big Board, while advances topped declines on the Nasdaq by 5 to 4 margin.

NYSE Most Active

Table listing top NYSE active stocks including IBM, Microsoft, and Intel with volume and price changes.

Yeltsin Gets a Boost, Knocking Dollar Down

NEW YORK — The dollar tumbled against the mark and other major currencies on Friday as the political prospects of President Boris N. Yeltsin of Russia appeared to brighten, traders and analysts said.

NYSE Diary

Table showing NYSE trading activity including advanced, unchanged, and declined issues.

Foreign Exchange

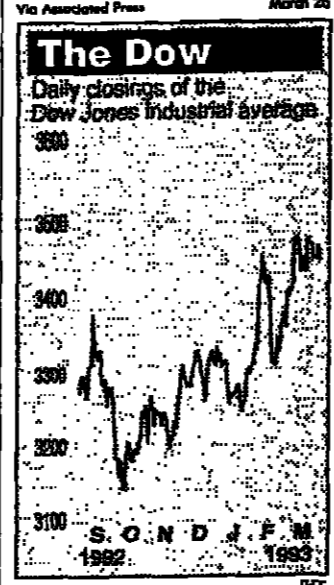
The dollar tumbled against the mark and other major currencies on Friday as the political prospects of President Boris N. Yeltsin of Russia appeared to brighten, traders and analysts said.

Amex Diary

Table showing Amex trading activity including advanced, unchanged, and declined issues.

NASDAQ Diary

Table showing NASDAQ trading activity including advanced, unchanged, and declined issues.



Dow Jones Averages

Table showing Dow Jones Averages for Industrials, Composite, and NYSE.

Standard & Poor's Indexes

Table showing Standard & Poor's Indexes for Industrials, Composite, and NYSE.

NYSE Indexes

Table showing NYSE Indexes for Composite, Industrials, and NYSE.

NASDAQ Indexes

Table showing NASDAQ Indexes for Composite, Industrials, and NYSE.

AMEX Stock Index

Table showing AMEX Stock Index for High, Low, Close, and Change.

Dow Jones Bond Averages

Table showing Dow Jones Bond Averages for 10 Yr Bonds, 30 Yr Bonds, and 10 Yr Industrials.

Market Sales

Table showing Market Sales for NYSE 4 p.m. volume, Amex 4 p.m. volume, and NASDAQ 4 p.m. volume.

N.Y.S.E. Odd-Lot Trading

Table showing N.Y.S.E. Odd-Lot Trading for March 23, 24, 25, and 26.

Financial

Table showing Financial data for S&P 100 Index Options.

EUROPEAN FUTURES

Table showing European Futures for Food, Metals, and Stock Indexes.

Food

Table showing Food futures including U.S. Dollar per metric ton.

Metals

Table showing Metals futures including Aluminum and Lead.

Stock Indexes

Table showing Stock Indexes for FTSE 100 and Nikkei.

Spot Commodities

Table showing Spot Commodities for Copper, Nickel, and Zinc.

Dividends

Table showing Dividends for various companies.

U.S. FUTURES

Table showing U.S. Futures for Grains, Soybeans, and Cattle.

Grains

Table showing Grains futures including Wheat and Corn.

Soybeans

Table showing Soybeans futures including Soybean Meal and Soybean Oil.

Cattle

Table showing Cattle futures including Live Cattle and Hogs.

Metals

Table showing Metals futures including Copper and Nickel.

Livestock

Table showing Livestock futures including Live Cattle and Hogs.

Financial

Table showing Financial futures including U.S. Treasury and Eurodollar.

Food

Table showing Food futures including Coffee and Cocoa.

Stock Indexes

Table showing Stock Indexes for S&P 500 and Nikkei.

Commodity Indexes

Table showing Commodity Indexes for Energy and Metals.

Market Guide

Table showing Market Guide for various commodities.

Crédit Lyonnais Retains Ovitz

LOS ANGELES — Crédit Lyonnais SA, smarting from millions of dollars of losses at its MCM film studio, said it had retained Creative Artists Agency Inc. as a consultant.

AMEX Most Active

Table listing top AMEX active stocks including Intel, Microsoft, and IBM.

NYSE Diary

Table showing NYSE trading activity including advanced, unchanged, and declined issues.

Amex Diary

Table showing Amex trading activity including advanced, unchanged, and declined issues.

NASDAQ Diary

Table showing NASDAQ trading activity including advanced, unchanged, and declined issues.

WORLD STOCK MARKETS

Large table showing world stock markets for various cities including Amsterdam, Brussels, Frankfurt, London, Milan, Madrid, Sao Paulo, Singapore, Zurich, and Toronto.

Cut in European Rates Urged

WASHINGTON (Combined Dispatches) — Lower European interest rates could spark greater global economic growth, Lawrence Summers, President Bill Clinton's nominee for Treasury undersecretary for international affairs, said Friday.

Kaiser Aluminum Skips Dividend

HOUSTON (UPI) — Kaiser Aluminum Corp., giving weak worldwide prices, said Friday it would skip its 5-cent-a-share dividend on common stock for the first quarter.

Nikko's Head Bond Salesman Leaves

NEW YORK (Bloomberg) — Michael Palmieri, senior vice president and head of fixed-income sales at Nikko Securities International, has left the firm, a spokeswoman said on Friday.

Daimler Sees Electric Car in 10 Years

NEW YORK (Bloomberg) — Daimler-Benz AG will "definitely" have an electric car on the U.S. market by the year 2003, the head of North American operations for its Mercedes-Benz subsidiary said on Friday.

California Bank to Aid Inner Cities

LOS ANGELES (LAT) — First Interstate Bank of California said it would commit \$2 billion — nearly 10 percent of its assets — to low-income home, business and community loans during the next 10 years in the state's poorest and minority communities.

U.S. FUTURES

Large table showing U.S. futures for Grains, Soybeans, Cattle, Metals, Livestock, Financial, Food, and Stock Indexes.

Belgium Plans Sale Of 49% Bank Stake

Compiled by Our Staff From Dispatches
BRUSSELS — The Belgian government said Friday that it planned to sell a 49 percent stake in the bank and insurance company Caisse Générale d'Epargne et de Retraite, a first step in a privatization program aimed at raising 25 billion Belgian francs (\$740 million).

Petercam Securities of Brussels will produce an evaluation of the company, known as CGER, by mid-April, a company spokesman said. Talks will then begin with interested parties, and offers must be submitted by the end of June.

CGER's banking and insurance divisions together have assets of about 2.01 trillion francs (\$59.5 billion). That compares with about 3.35 trillion francs at Belgium's biggest bank, Générale de Banque.

The Belgian insurer AG is interested in buying the CGER stake, La Libre Belgique reported.

Full results for the CGER group are not available. But the group reported on Friday that in 1992 the banking unit, on a nonconsolidated basis, made a 1,554 billion franc net profit, up 29 percent, and the insurance unit 1,274 billion, up 42.5 percent.

The banking unit, CGER-Banque, said interest and commission income rose 15.1 percent to 130.9 billion francs, while income from investments was down 1.9 percent to 50.6 billion.

Depreciation and provisions rose 34.9 percent to 6.421 billion francs.

EC Targets Aluminum Prices Russian Sales Said to Damage Producers

Compiled by Our Staff From Dispatches
BRUSSELS — The EC Commission opened an investigation Friday of aluminum imports from Russia and other former Soviet republics following a complaint that they were harming producers in the Community.

A commission spokesman said the probe focused on whether prices had dropped as imports entered EC markets; whether imports had surged in a disruptive way; and whether any real harm had been done to Community producers.

The inquiry, begun by the foreign trade commissioner, Sir Leon Brittan, is allowed under safeguard provisions in EC trade accords with the former Soviet Union, the spokesman said. If real harm is found, the Community can negotiate limits on imports or impose other measures to protect EC producers.

The spokesman said, however, that it was too early to say what the investigation might find. "This is an investigation without prejudice to determine whether EC industry has been harmed," he said. "The outcome could be a quota, a tariff quota or a tariff."

A commission source said the probe was begun after a complaint by Pechiney SA, a French aluminum producer.

The inquiry also involves aluminum imports from all the republics of the former Soviet Union and Baltic states, the commission spokesman said.

The investigation does not presuppose that aluminum exports from Russia and other republics are indeed hurting European business, the spokesman said.

The announcement is being made because of turbulence on London metal markets and complaints from French and other producers, commission sources said. (AP, Reuters)

Commerz Says Profit On the Rise

Compiled by Our Staff From Dispatches
FRANKFURT — Commerzbank AG, Germany's third-largest retail bank, said Friday that it had made a stronger-than-expected start to 1993 after posting a record 1992 profit.

The first major German bank to report its 1992 earnings, Commerzbank said total operating profit, which includes own-account trading, rose 20.7 percent to 2.2 billion Deutsche marks (\$1.35 billion) last year, topping 2 billion DM for the first time in the bank's history.

Profit from trading for the bank's own account, resulting largely from foreign-exchange income, almost doubled to 259 million DM and was a major factor in the earnings increase.

In the first two months of this year, the bank said total operating profit rose a further 10.2 percent from the year-earlier period.

Analysis welcomed Commerzbank's figures, acknowledging the strong growth of the bank's trading on its own account.

Peter Reisser, equity analyst at Bayerische Landesbank, said "profits from trading were surprisingly good. I didn't expect that to be quite as high."

A senior analyst at Bayerische Vereinsbank pointed out that "Commerzbank at last beefed up its risk provisions for problem loans."

At the end of 1991, the bank provided for about 60 percent of its 6.2 billion DM of risky loans. In 1992, the ratio was boosted to 75 percent. More than 90 percent of loans to the former Soviet Union are backed by provisions, said Chief Executive Martin Kohlhaussen.

He added that talks were under way for partnerships in all countries with significant trade links to Germany. (Bloomberg, Reuters)

Investor's Europe

Market	Index	Change
Frankfurt	FTSE 100 Index	2,214.49
London	FTSE 100	2,214.49
Brussels	Stock Index	3,230.45
Frankfurt	DAX	1,957.41
Frankfurt	FAZ	59.88
Frankfurt	HEX	1,000.00
London	Financial Times 100	2,214.49
London	FTSE 100	2,214.49
London	General Index	2,214.49
London	IBEX	3,230.45
Paris	CAC 40	3,230.45
Stockholm	Akersindex	1,128.25
Vilnius	Stock Index	1.1
Zurich	SIX	7,500.00

Sources: Reuters, AFP

Adia Posts a Loss, Omits Dividend

Compiled by Our Staff From Dispatches
LAUSANNE, Switzerland — Adia SA, the temporary employment agency, said Friday that it swung into the red last year and that it would pay no dividend for the second year running.

Adia said it had a 1992 net loss of 219 million Swiss francs (\$144 million), after a net profit of 24.98 million the previous year.

Consolidated sales were flat at 3.212 billion francs in 1992, compared with 3.217 billion.

Total assets at end-1992 were 1.6 billion francs, compared with 2.3 billion a year earlier, while net debt — excluding a subordinated 200 million franc loan to be converted into equity — declined to 722 million francs, from 1.6 billion.

Adia said its 1992 net loss was due to operating difficulties in a number of markets, reorganization costs and value adjustments.

The company added that it would propose a capital increase of 250 million Swiss francs to strengthen its financial position.

Adia said early trends for its employment business in 1993 were mixed, but added that it expected earnings to improve.

"With our reorganization and restructuring behind us, we look forward to an improved performance," Adia said, adding, however, that it did not expect any significant upturn in the world economic environment in 1993.

The company said U.S. demand was very strong and that its performance in Britain, Switzerland and Japan had stabilized. But it said that demand in the Netherlands, France and Germany was weakening.

Adia said the share of its revenues recorded in the United States rose to 32.5 percent in 1992, from 28.7 percent the year before. France's share fell to 22.8 percent from 26.6.

Adia's next biggest market, Britain, saw its share of total revenues fall to 7.6 percent from 7.8 percent. (AFX, Reuters)

Carnaud Stock Pursues Slide

AFP-Excl News
PARIS — Shares in CarnaudMetalbox fell sharply Friday for the second consecutive day as speculation continued over the price at which CGIP and Parifrance will buy part of MB Carnaud's stake in the company, dealers said.

Recent very heavy volumes and extremely volatile moves in CarnaudMetalbox shares may possibly be the result of people using privileged information, they added.

"CarnaudMetalbox's share moves this week cannot be the result of available information or normal market speculation alone," said a dealer.

CarnaudMetalbox shares closed at 207.80 francs (\$37.40), down 13.20.

Belgian Steel Firm's Future Clouded

Compiled by Our Staff From Dispatches
BRUSSELS — The Belgian steelmaker, Forges de Clabeco, said Friday that its net loss had narrowed in the first half of its financial year. But the company's future is still in doubt following a plummet in its net asset value to below the share capital.

Clabeco trimmed its net loss in the six months ended Dec. 31, to 802.2 million Belgian francs (\$24 million), from 1.23 billion francs a year earlier.

But by the end of February, the company's net assets dropped to below half of its 3.08 billion franc share capital, Forges de Clabeco said in a statement. Consequently the company has called an extraordinary shareholders' meeting for May 19 to discuss its future.

The company said profitability was affected by "large-scale imports of steel from Eastern Europe and U.S. steel tariffs, which led to a decline in steel prices."

Forges de Clabeco also suffered from the collapse of talks with France's Usinor Sacilor. The two companies had planned to cooperate in making steel plate.

Production fell, partly as a result of a three-week strike in November over plans to cut salaries and lay off 300 people. First-half sales fell to 3.65 billion francs from 5.04 billion.

The company said it expected a 15 percent increase in European steel prices after April and a pick-up in demand.

In Luxembourg, meanwhile, the steelmaker Arbed SA reported a net loss for 1992 of 2.9 billion Luxembourg francs (\$85.8 million), compared with profit of 4.3 billion francs a year earlier.

The company, which is Luxembourg's biggest industrial concern, said sales fell 4.9 percent to 188.5 billion francs, from 198.2 billion in 1991. The drop was due to the large fall in steel prices, Arbed said.

Arbed said that its steel output last year fell 12.8 percent to 7.1 million metric tons.

The 1992 result includes a charge of 700 million francs for restructuring of nonsteel activities, it added.

Shares in Clabeco swung erratically on the Brussels stock exchange following the report that the company's loss had narrowed. The stock was as high as a gain of 7.1 percent before falling back to 346 francs, up 1.8 percent. But volume was low, amounting to just 4,000 shares, traders said. (AFX, Reuters, Bloomberg)

Swedish GDP Dropped 3.6% in Quarter

Reuters
STOCKHOLM — Sweden's economy shrank 3.6 percent in the final quarter of 1992, and economists said Friday the nation would be stuck in recession for the third straight year in 1993.

The gross domestic product fell 3.6 percent on a volume basis and by a seasonally adjusted 2.8 percent compared with the previous three-month period. It was the largest quarterly fall since 1980, a year distorted by strikes and lockouts in which the second-quarter seasonally adjusted GDP fell 3.7 percent.

The 3.6 percent drop in the 1992 fourth quarter was also the biggest quarterly fall since the bureau adopted a new method of calculation in 1980, the Official Bureau of Statistics said.

The full-year decline was 1.7 percent, slightly steeper than drops of 1.5 percent forecast by Skandinaviska Enskilda Banken and 1.3 percent by Nordbanken. The GDP contracted by 1.1 percent in 1991.

SE Banken, Nordbanken and the statistics bureau forecast that the Swedish economy would contract again in 1993, by about 1.5 percent.

Banesto Bid for Urbis Is Worth \$102 Million

Reuters
MADRID — Corporación Banesto, the industrial holding company of the banking group Banesto, has made a 12 billion peseta (\$310 million) takeover bid for the real estate developer Urbis, Banesto said Friday.

The Banesto group already holds 36.4 percent of Urbis. The bid is for the total share capital and for subscription rights to a capital increase sought by Urbis.

NYSE

Friday's Closing
 Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

(Continued)

12 Month High	Low	Div	Yld	PE	10B	High	Low	12 Month High	Low	Div	Yld	PE	10B
12 Month High	Low	Div	Yld	PE	10B	High	Low	12 Month High	Low	Div	Yld	PE	10B
12 Month High	Low	Div	Yld	PE	10B	High	Low	12 Month High	Low	Div	Yld	PE	10B

12 Month High	Low	Div	Yld	PE	10B	High	Low	12 Month High	Low	Div	Yld	PE	10B
12 Month High	Low	Div	Yld	PE	10B	High	Low	12 Month High	Low	Div	Yld	PE	10B
12 Month High	Low	Div	Yld	PE	10B	High	Low	12 Month High	Low	Div	Yld	PE	10B

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Invitation for Prequalification

In continuation of the ongoing structural adjustment program which the Government of Egypt in cooperation with the IMF has embarked upon, preparations are under way for a major restructuring of three cement companies in the Helwan area south of Cairo. The companies are Tourah Portland Cement Company, Helwan Portland Cement Company and National Cement Company. The Holding Co. for Mining, Refractories and Building Materials invites firms with experience in Operations and Management of Cement Factories to prequalify for providing such services at the three mentioned companies.

Firms that will be prequalified, shall be invited to bid for these services.

The invitation for Prequalification may be purchased from The Holding Co. for Mining, Refractories and Building Materials at its premises, 9 Str. Nr. 9B - Maadi - Cairo for an amount of USD 250,- or the equivalent in Egyptian Pounds.

Submission date of Prequalification Documents by the interested firms is Thursday, April 15, 1993.

Prequalification Documents shall be submitted to:
 The Chairman
 Holding Co. for Mining, Refractories and Building Materials.

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(Continued From Page 17)

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TO OUR READERS IN HOLLAND

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AX: The Aristocrats of France's State Industry Are Watching Their Necks

(Continued from first finance page)

of International Relations. "Some will be replaced because they have been there too long or they have not done well. Among these, some may be more threatened than others because of their politics."

Another important factor, some say, will be whether the company is high on the new government's list for privatization.

"The executives will be judged on how open and willing they are to restructuring in order to get their companies ready for selling off," said Ian Fumwall, analyst with Hoare Govett in Paris.

Indeed, Socialist-appointed executives of several companies headed for sell-offs are given better-than-even chances of retaining

their posts. They include Louis Schweitzer of Renault, Jean-René Fourtour of Rhône-Poulenc and Jean Peyrelevade of Union des Assurances de Paris.

Among the most likely to lose their jobs in the weeks and months ahead are:

- Jean-Yves Haberer, chairman of Crédit Lyonnais. Mr. Haberer is expected to announce disastrous financial results on Monday, reflecting losses stemming from the bank's \$1.3 billion investment in MGM and its commitment to the bankrupt Swiss holding company, Sassa.
- Loïc Le Floch-Prigent, chairman of the oil and chemicals giant Elf-Aquitaine. Although his management record is positive, he is

reproached for being too close to President François Mitterrand. Mr. Le Floch-Prigent came to Elf in 1989, after being fired by the government of Prime Minister Jacques Chirac in 1986 as chairman of Rhône-Poulenc.

- René Thomas, chairman of Banque Nationale de Paris. With the bank high on the list for privatization, Mr. Thomas, nearing retirement age, is expected to be replaced with a younger executive who will inspire the confidence of international investors. Michel Pébereau, credited for turning around Crédit Commercial de France, is cited as a top contender.

Among those considered vulnerable are:

- Alain Gomez, chairman of

Thomson SA. Mr. Gomez is one of the veterans in the state-owned sector, named as head of the consumer-electronics and defense concern by the Socialists in 1982. Though he has won friends on the conservative side over the years, observers say his authority may be challenged in the months ahead.

- Bernard Pache, chairman of Bull. Mr. Pache, who took the top job at the loss-ridden company last year with no background in computers, faces bleak prospects for turning it around. But like Mr. Attali, some are betting he could be left in the job despite his political vulnerability. "Bull is hopeless," said Bob Heikes, an electronics industry consultant. "A new guy isn't going to make any difference."

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	100	High	Low	Latest	Chg
110	105	IBM	4.00	4.5	15	100	110	105	108	-2
100	95	Microsoft	0.00	0.0	15	100	100	95	98	-2
90	85	Intel	0.00	0.0	15	100	90	85	88	-2
80	75	Oracle	0.00	0.0	15	100	80	75	78	-2
70	65	Sun	0.00	0.0	15	100	70	65	68	-2
60	55	HP	0.00	0.0	15	100	60	55	58	-2
50	45	Cisco	0.00	0.0	15	100	50	45	48	-2
40	35	Verizon	0.00	0.0	15	100	40	35	38	-2
30	25	AT&T	0.00	0.0	15	100	30	25	28	-2
20	15	WorldCom	0.00	0.0	15	100	20	15	18	-2
10	5	Qwest	0.00	0.0	15	100	10	5	8	-2

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AMEX

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	100	High	Low	Latest	Chg
100	95	Microsoft	0.00	0.0	15	100	100	95	98	-2
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Japan Industry Lifts Output, Shipments

Bloomberg Business News TOKYO — In another sign that the worst of Japan's economic slump may be over, the government released data Friday showing that bloated manufacturing inventories contracted in February, while production and shipments rose.

AT&T Partner To Make Phones For It in China

Bloomberg Business News HONG KONG — S. Mega International Holdings Ltd., a Hong Kong maker of cordless telephones and fax machines, will produce AT&T telephones, video phones and faxes in China, the companies said Friday.

BHP's Profit Moves Ahead Lower Australian Dollar Boosts Business

Compiled by Our Staff From Dispatches MELBOURNE — Broken Hill Pty. is in position to earn around 1 billion Australian dollars (\$707 million) in the year to May 31 after its strong nine-month profit announced on Friday, analysts said.

H.K. Developer's Earnings Expand

Bloomberg Business News HONG KONG — Sun Hing Kai Properties, one of Hong Kong's largest real estate developers, said Friday that its half-year profit rose 21.2 percent on a strong performance by investment properties.

Japan Eximbank Joins L.A. Project

Agence France-Press TOKYO — In unprecedented investment abroad, the Export-Import Bank of Japan will provide \$12 million for a port project in Los Angeles, the Kyodo news agency reported Friday.

China Wants Hong Kong To Finish Airport by '97

HONG KONG — China's top official for Hong Kong affairs, Lu Ping, said Friday that Beijing hoped the colony's planned new airport could be built before 1997 when the Chinese resume sovereignty, a Beijing-controlled newspaper reported.

Investor's Asia table with columns for Hong Kong, Singapore, Tokyo, and various indices like Nikkei 225, Hang Seng, etc.

Very briefly: Merrill Lynch International Inc. opened a representative office in Shanghai, the first U.S. securities firm to do so; its manager will be Zhang Liping, a vice president of Hong Kong-based Merrill Lynch Asia Pacific.

Large table titled 'INTERNATIONAL FUNDS' with columns for fund names, currencies, and dates. Includes sub-sections like 'INTERNATIONAL FUNDS' and 'Other Funds'.

THE MONEY REPORT

Castaways: An Island in Sea of Taxes

MOMENTOUS times in Luxembourg. Deutsche Bank's Luxembourg arm announced a modest increase in profit this week and declared the intention of paying a dividend to the main bank for the first time.

But the healthy profit of 329 million Deutsche marks (\$205 million), up 6.9 percent from last year's figure, and most of all the dramatic increase in total assets, up 22 percent to 41.7 billion marks, have a wider significance than just boosting the status of another big German bank in Luxembourg.

What makes those figures interesting are the forces that generated them. The Luxembourg arm of Deutsche Bank experienced a massive increase in capital flow, much of it from Germany, and much of that from clients of the parent bank.

That tells us two things, one about Europe and one about Luxembourg's place within the European Community.

The enactment of investment tax laws is part of the process of harmonization of financial services and structures within the Community. By passing such laws the Germans are bringing a united Europe one very small step closer.

Unfortunately, Luxembourg's role in this little scenario can hardly be said to promote pan-European harmony. Luxembourg, somewhat bizarrely for a landlocked country, is generally designated an offshore location. In other words, if there were such a thing as a financial map of Europe, Luxembourg would be floating right in the middle of a sea of heavily taxed countries.

And the spiritual truth preached by John Donne applies, in this instance, to tax havens just as to human beings. Neither may be an island, especially if the would-be island is a small tax haven surrounded by bigger neighbors all losing investment business.

But Luxembourg's tax privileges are a tradition, say its supporters. It's a good bet the Germans regard that tradition as an anachronism.

In New York, a Rebound for Life at the Top

By Judith Rehak

NEW YORK City's battered residential real estate market is showing signs of life — for real, this time. But the revival is confined to the largest, most finely appointed apartments at Manhattan's best addresses.

The average price last year of an 8- to 14-room apartment on Fifth Avenue increased 8.5 percent, to almost \$3 million from \$2.75 million in 1991, according to a survey conducted by the Corcoran Group, a residential brokerage. Even so, Barbara Corcoran, the group's president, remains cautious.

After several false starts, any increase at all is welcome relief to brokers and sellers. Depending on whose statistics you look at,

Real estate brokers can thank a banner year on Wall Street in 1992 for sending them new buyers in the upscale market.

overall apartment prices in Manhattan have plunged from 27.5 to 36 percent since 1988.

Brokers attribute the current upturn in large, luxury apartments to growing demand and diminishing supply. "There just isn't any new product coming onto the market," said Alan Rogers, managing director of Douglas Elliman, a Manhattan brokerage.

"We wish we had more large apartments to sell," added Betsy Dean, a senior vice president of Stribling & Associates, a residential brokerage. Last month, Stribling sold a 10-room apartment on Park Avenue in only 10 days for \$2.75 million.

Brokers can also thank a banner year on Wall Street in 1992 — million-dollar-plus bonuses were not uncommon — for sending them new buyers in the upscale market.

About 85 percent of New York City's owned apartments are cooperatives. They are owned through shares in a private corporation and run by boards of residents, who screen and approve prospective buyers.

Prices of co-ops can vary significantly, even at the tiny high end of the market, depending on addresses, views and such frills as wood-burning fireplaces. For example, Douglas Elliman recently sold a three-bedroom apartment on Park Avenue with a formal dining room and library at a price in the "mid-\$800,000s"; at the same time, a similar, but smaller, two-bedroom residence on Fifth Avenue fetched in the "high \$800,000s."

One of the most buoyant segments of Manhattan's high-end market are luxury condominiums. Condos account for only about 15 percent of the city's owned apartments, and only a handful are in the luxury category. Sales are largely driven by foreign buyers. One brokerage reports 95 percent of its clients are from overseas, mainly Hong Kong and Taiwan.

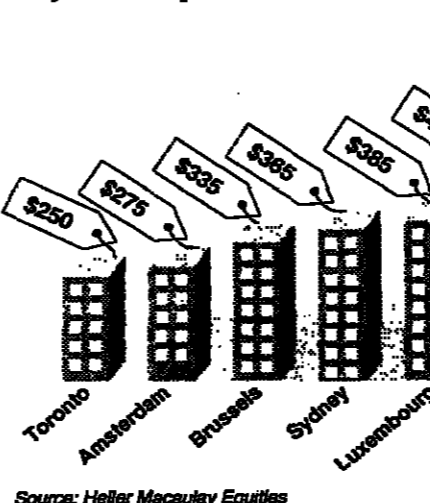
Mr. Rogers of Douglas Elliman said that his firm's condominium sales are split 50-50 between New Yorkers and foreign buyers. Of the overseas contingent, "South Americans are among our best clients. The Japanese used to be, but you hardly see them any more," he observed.

Luxury condos run 15 to 20 percent higher than co-ops, but there are compelling reasons for their popularity. Many foreigners buy them as an investment and lease them out or purchase them in a corporate name, practices that are taboo in coops; nor are condo buyers required to bare every detail of their finances to a board, as they are in co-ops.

But the length of the slide in both markets has caused investors and home buyers alike to wonder whether the down cycle has at last reached bottom. Is now the time to buy? Professional opinion varies.

Even at those prices, Manhattan's luxury apartments look like a bargain compared with some foreign capitals. Ma Corcoran's statistics show that at an average \$5,690 per square meter for a Manhattan luxury apartment, New York ranks sixth behind Monte Carlo, Paris, Tokyo, London and Zurich, where prices ranged from \$12,903 down to \$6,125 last year.

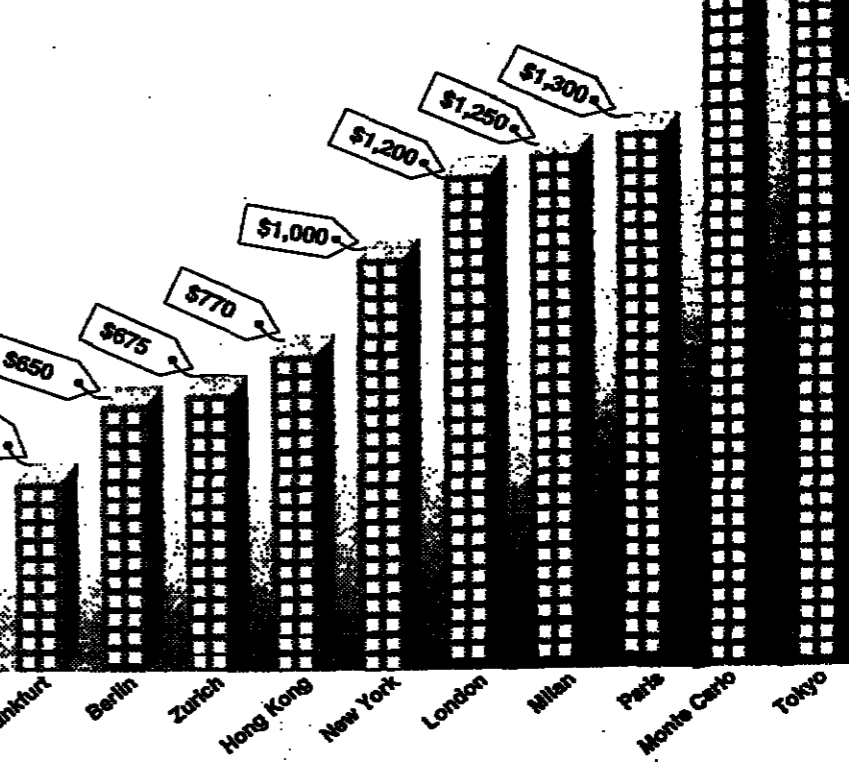
Brokers are in hopes that the revival of prices in New York City's big, crème de la crème apartments will gradually filter down to smaller units. But will the overall market ever reach the heights of precrash 1988? "Perhaps in five years," ventured Mr. Rogers, noting that the market had fallen about 30 percent and a 6 percent a year appreciation is not unreasonable. Then he added, "But you need a crystal ball for that."



Source: Heller Macaulay Equities

That Penthouse View

The world's most expensive prime residential real estate (\$ per square foot per year)



In Paris, a Broad and Lingering Slump

By Philip Crawford

NEW YORK'S posh areas may be picking up, but the news from the other side of the Atlantic is not so good. The value of residential property in Paris continues to erode, real estate analysts say, as backlash from the inflated price levels of the late 1980s remains potent.

But the length of the slide in both markets has caused investors and home buyers alike to wonder whether the down cycle has at last reached bottom. Is now the time to buy? Professional opinion varies.

The free fall in Paris apartment prices since the turn of the decade is slowing, experts say, but there are few signs of actual recovery. The cost of vacant apartment space has fallen 11.2 percent in 1992, to an average of 19,551 francs (about \$3,500) per square meter, according to the Chambre des Notaires of Paris.

The steepest slides, of about 20 percent, were seen in the first arrondissement, a district where space now goes for about 20,400 francs per square meter, and in the fashionable 16th arrondissement, where prices are hovering around 25,400 francs per square meter.

"People have lost confidence in doing a deal," said Richard McGillicuddy, a negotiator at the Philip Hawkes agency, a Paris realtor specializing in upscale residential properties. "It's very difficult to get anything finalized. Things certainly are not on an upturn yet."

Donelle Higbee of Sobty's, which deals in the highest end of the Paris market, said there was always someone who could afford an exceptional property. But gener-

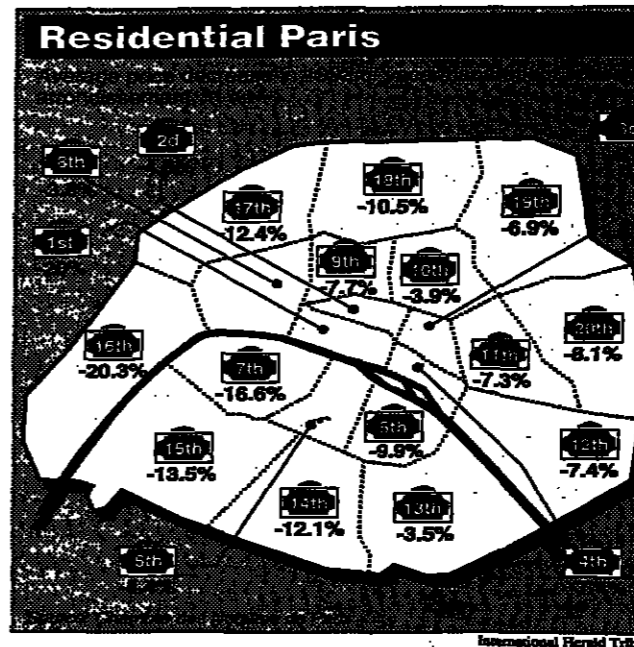
ally, she added, buyers have been scarcer in the past year than during the previous one. "Job insecurity and general economic worries are all part of the picture," she said.

"The residential market has bottomed out," he said. "There was much more traffic in our offices during January and February. Granted, all those people don't represent signatures in the Notaire's office, but they may within a couple of months. In my opinion, if you're looking to buy in Paris, now is the time."

Commercial real estate in Paris has also taken a beating since 1990. And, as in the residential sector, the prevailing analyst opinion is that things will get worse before they get better. Some experts say that top-quality commercial space has lost as much as 40 percent of its value over the past 18 months.

Mr. Waterland said that oversupply already existed in virtually every category of commercial space in Paris, and that more new space would glut the market by the end of the year. With so many companies hurting, he added, the timing couldn't be worse.

Mr. Waterland added that a perfunctory rate cut would not be sufficient to turn the market around. "It's got to be a substantial move," he said, "or it just won't work."



THE CENTRAL SOURCE ON FUND INVESTMENT

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BRIEFCASE

Lehman Brothers Launches Offshore 'Fund of Funds'
Lehman Brothers International is adding to its stable of offshore funds with the recent launching of the Global Advisers Portfolio NV, a closed-end "fund of funds" that will utilize at least six separate investment advisers.

Second-ranked in asset allocation for the portfolio (at 20 percent) will be a segregated account managed by IFM Asset Management of London. The IFM strategy will involve extensive use of derivatives, says Lehman.

The remainder of the assets are to be managed in even slices by four other advisors: Soros Fund Management, F.W. Thompson & Co., the Gabels Group and Amerindo Investment Advisors (U.K.).

Lehman Brothers' offshore fund complex, begun four years ago, now consists of 22 funds containing total assets of \$1.7 billion. For more information about the Global Advisers Portfolio, call Francis Sherry at Lehman Brothers International in London, (44-71) 260-2975.

Initially, the heaviest asset allocation (27 percent) will go to the Omega Overseas Partners Ltd. II fund, managed by Leon Cooperman, former chief executive at Goldman Sachs Asset Management and founder of Omega. Domiciled in the Cayman Islands, the Omega fund will invest in equities, bonds, futures or currencies as the market

suggests, Lehman says. "Mr. Cooperman will act on both under- and overvalued situations, and as a result, his fund may hold both long and short positions," said a spokesman for Lehman.

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turned even if the stock market falls over five years. If the market goes up, the account will pay interest that is just shy of the return of the Standard & Poor's 500 Index. The minimum deposit for the CD will be \$10,000.

Sterling-Denominated Fund Gives Deferred Tax Liability
A new offshore sterling-denominated fund investing in fixed-interest securities is being launched by CMI, the international arm of Clerical Medical Investment Group, a U.K. investment firm.

The income will not be subject to withholding tax and will not be distributed to investors. In this way, investors will be able to defer tax liability, argues the company. "No assessment to income tax is made until the year in which the shares are redeemed," said CMI's deputy chief executive, Rick May.

Minimum investment in the fund is £500 (\$750) or the equivalent in major currencies. Charges are 5 percent initially and 0.875 percent annually. The offer period, during which CMI will marginally reduce its charges, runs from launch on March 31 through April 30.

A Money-Back Guarantee On Citibank's Stock CDs
Citibank plans to introduce a stock market-linked certificate of deposit for retirement accounts next week, according to a report in The New York Times. The intention is apparently to attract customers discouraged by low U.S. interest rates.

The five-year CD guarantees depositors that their principal investment will be re-

THE MONEY REPORT

Tax 'Sacrifice' for Other Nationals Too?

Last week, Jack Anderson of the Paris office of HSD Ernst & Young explained the possible effect of President Clinton's tax "sacrifices" for typical middle-level executives of French and German nationalities working in the United States. In this, the second of two articles, he examines the possible outcome for nationals of South Korea and Singapore.

By Jack Anderson

THE Europeans were unpleasantly surprised at implications of the U.S. tax proposals. Will the Asians feel the same? From looking at the top income tax rates, South Korea at 50 percent and Singapore at 33 percent, Asian nations might expect to do reasonably well — although the proposed top U.S. rate of 36 percent will not please the Singapore national. However, U.S. social taxes will provide both with food for thought.

Jong Lee is 40 years old, single, a vice president of a South Korean multinational corporation. He has just learned that his company wants him to go to Texas, to oversee operations on a new semiconductor plant that its U.S. subsidiary is building. He is happy to learn that Texas has no state income tax. Mr. Jong will travel to the company's various construction sites around Asia before arriving in the United States in July.

Mr. Jong's annual salary in Korea is \$85,000 (68 million won). He also has the use of a tax-free company car and driver worth an additional \$15,000. His current Korean income tax is \$24,000 for an average rate of 24 percent and a top rate of 50 percent. His Korean National Welfare Pension Plan contribution is only \$1,700.

However, Mr. Jong determined that his U.S. tax on the same amount of income will be \$25,000 for an average income tax rate of 25 percent and a top rate of 31 percent. His U.S. Social Security contribution toward pension benefits will be \$5,500. There is no Totalization Agreement between South Korea and the United States to allow Mr. Jong to continue under the Korean pension system. It is unlikely that he will receive any future benefit from the U.S. system as he will not meet the minimum work requirement to be eligible: 40 cal-

endar quarters of employment or 10 years.

Thus Mr. Jong's net income and benefits in the United States, after income and social taxes, decreases from \$74,300 to \$69,500, or almost \$5,000. The Korean company has agreed to provide him a special package that he thinks will make him whole. In the United States Mr. Jong is going to receive annual gross compensation of \$100,000, a car (but no driver) costing about \$15,000 and an allowance of \$20,000 a year for accommodations. The company car will be taxable in the United States as will the living allowance.

Since all of Mr. Jong's Korean income tax is paid via withholding by his employer, he does not need to file a year-end return for South Korean tax purposes. But he does need to notify his local government office of his change of address. He will qualify as a nonresident of Korea during his assignment and will not be subject to Korean taxes on his U.S. earnings.

Instead of giving him \$15,000 cash to purchase a car, which would be fully taxable upon resale, the company should consider leasing him a car; if proper documentation is maintained, business use of the car, only a portion of the lease value will be taxable.

The company Mr. Jong works for will not provide him any U.S. tax-filing assistance or provide a reimbursement if he pays more tax in the United States than he would have paid in South Korea. But his company is thinking of paying him his three years' worth of living accommodations before he arrives in

Executive Transfer Tax



Source: HSD Ernst & Young. International Herald Tribune

the United States to avoid U.S. tax. This may not be wise since his South Korean marginal tax rate is 50 percent and the United States may tax this amount to Mr. Jong in any case if it is charged back to the U.S. company or is related to U.S. services.

Because of higher appreciation rates in Korean stocks, he will continue to hold his stock investments there. He will incur tax on any dividends in both the United States and Korea since the U.S.-South Korea tax treaty allows interest and dividends to be taxed in both countries. But Mr. Jong will be entitled to claim a foreign tax credit on his U.S. return for the taxes paid in Korea on investment income.

He intends to continue to donate to his church in Korea. But to be deductible for U.S. tax purposes the donation has to be an approved U.S. charity. He should investigate whether his church has a qualifying U.S. affiliate that can receive his donation.

Mr. Jong is thinking of purchasing a home in the United States, since he knows his chances of buying a home in South Korea in the near future are slim (the cost of a

small apartment would be \$300,000 to \$1 million in Seoul). If he purchases a home in the United States and decides to sell it upon his return home, he should be aware that he will have to pay tax on any capital gains from the sale.

He spent a lot of time negotiating his special deal and hopes the company will develop a more sophisticated approach to transfers so he will know exactly where he stands.

Now a more difficult transfer, from Singapore.

Richard Tan is a Singaporean in his mid-30s taking part in the expansion of Singaporean companies operating in the United States by accepting a three-year assignment to work in his company's subsidiary in California. While he and his wife, Nancy, are looking forward to new experiences, they are concerned about the financial and tax aspects of the transfer as well as schooling for their two children.

Mr. Tan's employer has put together a comprehensive compensation package to ease the financial and tax concerns and has agreed to pay for appropriate schooling. His assignment will begin Aug. 1, 1993.

Several years ago, another employee worked in the United States for seven months. Because this employee received all of his pay in Singapore, he ended up paying most of his compensation in taxes: full Singapore income tax, U.S. and California income tax. The company helped cover these costs but that experience brought home the need to carefully review U.S. and Singapore tax planning and company policy before the start of an assignment.

Mr. Tan's annual salary in Singapore is \$85,000 (140,000 Singapore dollars). His current income tax is \$15,000 for an average income tax rate of 18 percent and a top rate of 26 percent. There is no pension withholding in Singapore and no Totalization Agreement with the United States. But there is a Central Provident Fund savings

plan to which he makes a Singapore tax-deductible contribution of \$10,000 per year and his employer makes a similar contribution for his benefit. The contributions and accumulated income can be withdrawn at retirement tax-free in Singapore.

Mr. Tan determined that when he becomes a U.S. resident, the U.S. and California tax on the same annual base salary will be \$20,000 for an average rate of 24 percent and a top combined rate of more than 37 percent. Also, his U.S. Social Security will be \$5,000 per year and he is concerned that he will receive no benefits from this system as he will not stay in the U.S. until retirement. Furthermore, if he makes any contributions to the Central Provident Fund in Singapore they will not be tax deductible in the United States and any contributions by his Singapore parent company for his account will be additional taxable income to him in the United States.

The income earned during his U.S. residency on previous contributions to the fund will be additional taxable income to him in the United States.

From his point of view, going to the United States will cause his net after tax assets to decrease by more than \$10,000 per year. The parent company in Singapore agrees with his calculations, but does not want to get involved with "tax-equalization policies" and thinks this American system of expatriation policy is too complicated for the company. After long discussions, the Tan's decided the long-term career benefits of the assignment outweigh the short-term financial loss, but they will continue to discuss this with the personnel director and president of the U.S. subsidiary (who is also Singaporean, but got a "special deal" from the president of the parent company).

There are more tax questions. Mr. Tan will be renting out his Singapore home while overseas, and net rental income (after deductions) is estimated to be \$10,000 per annum. Also, he has \$50,000 in a time deposit in a Singapore bank and he needs to decide how to invest this money during the assignment.

For Singapore tax purposes, a resident individual is liable for tax on all income derived from or accruing in Singapore and all income derived elsewhere and received in Singapore. An individual who is a

U.S. Work Permits For Foreign Nationals

Permit Category	Initial Length of Stay	Maximum Length of Stay	Can You Earn a Salary in the U.S.?
B-1 Visitor for business	Usually granted for 3 to 6 months	Up to 1 year	No
H-1B Specialty occupation	Up to 3 years	3 years	Yes
H-2B Temporary worker	Up to 1 year	Length of stay cannot be extended for more than 3 consecutive years	Yes
H-3 Trainee	Up to 2 years	2 years	Yes
E-1/E-2 Treaty Trader/Investor	2 to 5 years	Unlimited extension in increments of 1 year if treaty business continues to operate	Yes
L-1 Intra-company transferee	3 years	7 years for managers and executives, 5 years for specialized knowledge employee	Yes
J-1 Exchange visitor	1 to 5 years	7 years (18 months for business and industrial trainees)	Yes
F-1 Academic student	Normal length of study	After 8 years student must justify further education	Yes, on campus, in practical training and in public program
M-1 Non-academic	Based on normal length of stay	Depends on vocational path	Yes

Source: HSD Ernst & Young. International Herald Tribune

nonresident is liable for tax only on Singapore source income.

Singaporeans working overseas had been treated as residents in Singapore unless their periods of overseas work covered a full calendar year. The recent 1993 budget has announced that Singaporeans can now choose to be assessed as nonresidents for tax purposes if they have worked overseas for at least six months in any calendar year.

The advantage for the Tans of being assessed as nonresidents is that foreign income earned abroad can be received freely in Singapore without causing any Singapore tax liability. The disadvantage would be that Singapore investment income, rents or interest, for example, will be taxed at the nonresident tax rate, which is currently 27 percent.

For U.S. tax purposes the Tans can be considered nonresidents during 1993 as they will not have been present in the United States for more than 183 days. As nonresidents they will be taxed only on compensation for services performed in the United States and not on the Singapore rental or interest income.

The Tans should choose to be treated as Singapore residents for 1993. They will then be taxed at the lower Singapore rates on the rental income. To protect Mr. Tan's compensation from Singaporean tax

he should be paid by the California subsidiary and not remit any portion of it to Singapore.

To generate some tax savings, they should also consider moving their \$30,000 bank time deposit outside Singapore. As long as they do not remit any interest from the account into Singapore, it will not be taxable. For U.S. tax purposes, interest from bank time deposits is nontaxable for nonresidents, even if the bank holding the time deposit is American. This interest could therefore escape tax altogether for five months of 1993. Other economic factors such as rate of interest, security of investment and currency-exchange issues should be considered in addition to the potential tax savings before moving this investment.

If the Tans remain in the United States for all of 1994, they will then be classified as U.S. residents and subject to tax on their worldwide income including the Singaporean rental income and the bank time deposit interest. Tax-planning opportunities similar to the ones discussed for 1993, the year of the transfer, may also be available in the year they return to Singapore.

The negotiations have only reached an interim stage for the Tans. Mr. Tan will continue with the U.S. personnel director to try to develop a transfer policy to encourage the mobility of the company's executives.

The conclusion is surprising to many foreign nationals and more often to their companies. President Clinton's tax sacrifice will increase this unpleasant surprise. As shown in the illustration, the Asian executives suffered an income tax increase on their home-country base compensation (before considering any expatriate benefits) in transferring to the United States. Although last week, we saw that Europeans had a social tax decrease, that did not more than offset the income tax increase. The Asians had a social tax increase coming to the United States. Of course, very high-base-compensation executives may benefit from the transfer to the United States.

There is no happy ending. But with this information, foreign nationals going to the United States and personnel directors can anticipate the problems and seek solutions — before the employee goes to the United States, receives his first paycheck (after U.S. and state income and Social Security tax withholding) and calls back home with his unpleasant surprise.

Sections of this article and last week's were prepared by the following Ernst & Young personnel: Karin Skiba and Mary Hinds in Frankfurt; David Klingens in Paris; Janet Trassell in Seoul; and Greg Deery in Singapore. Also, H. Reid Shaw of Marks & Murese New York.

Tax Rates State-by-State

State	Rate	State	Rate
California	11.0	Nebraska	6.92
Connecticut	4.50	New York	7.87
Florida	none	Ohio	6.90
Illinois	3.00	Texas	none
Michigan	4.60	Washington	none

International Herald Tribune

The Winners, the Losers and the Near Misses: Reliving a Year's Investment Calls

After a year of comment and analysis, the outgoing panel of Outlook investment experts looks back at the calls that were right — and wrong — and offers its view for the long term.



Gerald Holtham, chief international economist, Lehman Brothers, London

You win some, you lose a few. The victories of the past year: Buying U.S. Treasury bonds last April; hedging the dollar into European currencies until October then switching back into dollars; betting on Japanese interest rates and bond yields to fall from last March on; moving into German and French equities at the beginning of 1993.

The losses: Buying put options on the yen back last March, expecting the currency to slide along with Japanese interest rates — the puts would have expired useless as the yen rose through the year; holding the Canadian bond market since last July — it has gone nowhere, yielding a steady 7.5 percent but underperforming other markets.

The misses: The most obvious miss was the U.K. equity market, which has risen more than 16 percent in the past year with a dividend yield of 4 percent. I also avoided the European bond markets, which have done well in recent months — never mind, for the year as a whole they have underperformed the United States and Japan (though not Canada), as predicted, and all world bond markets have done quite well lately.

U.S. 10-year notes were yielding 7.5 percent last April; now they yield 6 percent. A total return over a year would be about 17 percent. The currency plays would have added more than 15 percent to that.

Dimming the holding with Canadian bonds in July would have reduced those gains. Japanese bond holdings would have made even larger capital gains but the interest rate markets had made even larger gains than I expected. I expected Japanese short rates, 5.5 percent last March, to be at 4 percent by midsummer. In fact they reached 4.5 percent; it was far before they crossed the 4 percent barrier and are now at 3.2. Right idea but the timing was not perfect and the yen currency hedge (put options) would have cost something too.

Since December, when I wrote, the German equity market has risen 13.5 percent and the French more than 20 percent, but even the most faithful reader could not have bought before mid-January, since when the gains have been more modest: 10 percent in Germany and 2.5 percent in France. Those are still more than respectable when annualized. That would have been diluted by a currency hedge that I recommended, though there has been only a small movement in the dollar this year.

Essentially the U.S. bonds were recommended on the ground that the markets had not priced in lower U.S. inflation and were too concerned about a cyclical upswing. Neither of these things is true anymore, and the time has come to take profits. The Canadian market was bought in the hope that various political problems would blow over, but this did not happen and currency weakness harmed the market. A mistake, but bygone are bygone and I now prefer Canada to the United States.

Falling Japanese rates were easy to predict on the basis of the very weak economy that officials were vainly trying to talk up. However, investors were more impressed than me by the Japanese current-account surplus and the evident de-

mand began to fall significantly short of supply, and the widening of the gap between supply and demand soon started to make itself felt. This trend, clearly apparent since 1991, became, if anything, even more marked in 1992. Demand grew fairly strongly up until 1990 but collapsed in 1991. The slowing of growth on the supply side was much less marked, however, and surplus supply-side capacity began to mount.

Let us now turn our attention to fiscal policy. Fiscal measures taken during fiscal 1992 consisted primarily of two actions: the front-loading of public investment in the first half of the year, and the announcement in August 1992 of a package of measures designed to boost fiscal outlays by a total of 10.7 trillion yen during the remainder of the year. The front-loading program called specifically for the acceleration of the public investment program by allocating 75 percent of the public works expenditures by national and regional government agencies scheduled for the whole of fiscal 1992 during the first half of the term. Unfortunately, the government failed to push the supplementary budget through quickly enough, and final approval was not secured until Dec. 10, far too late to have any real impact on the economy during what was left of fiscal 1992.

Again, in fiscal 1993, we can expect to see the initial budget augmented by additional spending in the area of 12 trillion yen. There is, moreover, a particularly urgent need to review the management of the whole Fiscal Investment and Loans Program, which left postal savings in excess of 10 trillion yen of unused funds in fiscal 1991 and 1992.

I should like to take a brief look at the Japanese economy's medi-

Outlook

offer business the sort of incentive it requires. In fact, a glance at the trends in real interest since 1980 shows today's levels to be more or less average. At the same time, the money-supply movement is extremely difficult to interpret. Certainly, there is little to surprise in the slow growth of the money supply up until 1991, when the economy was absorbing the excess liquidity. In 1992, however, even as Japanese corporations began to ex-

perience a renewed tightening of their liquidity positions, the money supply continued to grow at a negative rate, and this can be attributed to the adoption of a questionable stance toward monetary policy by the authorities.

Since the movement of the money supply itself has also been unusual in the present situation, it is equally possible to trace the roots of the problem beyond interest-rate trends to a more fundamental cause concerning the overall flow of funds.

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um-term growth path once the process of adjustment following the bursting of the bubble has run its course. First, given such positive factors as Japan's current capital stock, labor supply and innovative skills, there seems little likelihood of economic growth falling far short of its potential rate. Similarly, since there is equally little likelihood of potential growth being seriously disrupted by outbreaks of public and social disorder of any kind, we might expect to see annual growth settle somewhere in the high 3-percent range.

At the same time, however, we must also take note of the growing tendency for Japanese business to modify its traditional management style. If this trend really begins to gather steam, there is a danger that the Japanese economy's potential cruising speed will also be reduced. If the growth rate of the Japanese economy were to stagnate at around its current levels as a result of some sort of policy failure, considerations of this nature would have to be taken extremely seriously.

In my view, however, the implementation of new policy initiatives should be sufficient to put the Japanese economy back on an acceptable growth trajectory, and this will, in turn, help to limit the extent of the modifications being carried out in the Japanese style of business management.

In the immediate aftermath of the bursting of the bubble, there is a strong tendency to take a pessimistic view of policy measures aimed at the expansion of demand. It must not be overlooked, however, that Japan's ultimate lenders have massive supply of funds at their disposal. The government's financial position is also fundamentally sound. In addition, real interest rates remain high, which means, of course, that there is still plenty of scope for further reductions.



Nigel Cuming, senior investment manager, ANZ Grindlays Bank (Jersey)

When I provided a model portfolio for the growth-orientated U.S. dollar-denominated client with \$50,000 available for investment, I suggested that unit trusts — U.K. open-ended mutual funds — were the best vehicle and that an overweight position in the United States was the correct approach. I

initially suggested three unit trusts that constituted 45 percent of the sum available for investment and I am pleased to say that the average return from these funds would have been 20.6 percent.

The recommended 15 percent exposure to Europe would have made no money at all as the recommended unit trust declined over the period by 0.6 percent. The 10-percent recommended exposure to Japan, bailed out by the recent strong performance, would have resulted in an average return from the two funds recommended of 9.15 percent. The recommended 5-percent exposure to South East Asia would have resulted in the return of 17.8 percent.

Unfortunately, the emphasis on emerging markets has proved costly and the 20-percent exposure recommended would have declined by about 6.75 percent. Assuming that the dollar was retained (5 percent) the return over the year from cash would have been about 3 percent.

Taking into account the initial asset allocation and the performance of the various unit trusts that were recommended, and assuming that no changes were made over the course of the period (obviously this would not have been the case), the portfolio would have appreciated by about 9 percent over the year.

In terms of our general investment advice I remain happy with

The yen is likely to appreciate — a long-term dollar target would be 110.

the emphasis that we have placed over the last year on the dollar and the American markets generally. I remain nervous of the prospects in Europe and will remain underweight here because of political uncertainty and the likelihood of the summer. Despite the emergence of China, I feel that a weighting in the Southeast Asian markets remains prudent as the growth prospects are excellent.

We failed to call the turn in Japan but for our dollar-denominated accounts we have increased our

exposure to yen over the last month. While it is always dangerous to find yourself with the consensus we also believe that the yen could appreciate to 110 against a generally strong dollar. Elsewhere we have recently increased weightings to Australia substantially.

The next quarter promises more of the same for U.S. equities, in as much as the market is likely to remain broadly neutral with little news on the horizon to boost the Dow Jones index from the 3,300 level. Longer term, however, the continued increase in corporate earnings should lead to a sustained rise as the present recovery discounts feeds itself out of the present valuations. Prices should remain supported by inflows of cash from institutions and private investors as interest rates stay low. This together with the continuing firm U.S. dollar leads us to believe that the market remains a buy for international investors and that opportunities should be taken to purchase stock on weakness. Investors should be selective as the diverse performance amongst individual stocks is likely to continue.

For British shares, the next quarter is probably going to start quietly with investors broadly unimpressed by the outcome of the budget last week.

I like the outlook for the Australian share market, where things are continuing to improve; further progress can be expected. In the long run growth will pick up, inflation will remain low and the risk for a market in which most investment houses are underweight remains very much on the upside. The All Ordinaries is heading for 1,675 to 1,700.

Among the world's bond markets, I would take profits in the United States. After a period of outstanding performance with the long bond breaking through 7 percent, it is now very attractive to take profits and switch into Canadian bonds (unhedged) or into Europe on a hedged basis where the Euro, French and Spanish markets all offer excellent value. A combination of a weak currency and funding difficulties result in the U.K. market remaining unattractive. The Dutch and German markets appear to have already discounted too much and better value exists elsewhere.

As for currencies, a continuation of present trends is anticipated. Af-

ter a period of consolidation, the dollar once more looks set to move higher, and although a trading bounce may occur in sterling a reset of recent lows is likely. Elsewhere the Canadian and Australian dollars are both likely to continue to make progress.

The yen is likely to continue to appreciate — a long-term dollar target, as I say above, would be 110.

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SPORTS SKIING

Aamodt and Seizinger Super-Giant Titlists

Norwegian Gains on Girardelli

Compiled by Our Staff From Dispatches

ARE, Sweden — Kjetil Andre Aamodt won the final men's World Cup super-giant slalom race of the season on Friday to take the World Cup title in the discipline and keep alive his hopes for the overall crown.

With Marc Girardelli of Luxembourg finishing 15th, 0.76 of a second behind him, he still has a slim chance of snatching the overall title.

Aamodt won his third cup race in a row by finishing in 1 minute, 07.43 seconds over the 1,800-meter (5,910-foot) course with a vertical drop of 515 meters.

Günther Mader of Austria, winner of one super-G race this season, was runner-up Friday in 1:07.49, and Franz Heinzer, the cup downhill champion from Switzerland, was third in 1:07.51.

With his victory, Aamodt, the Olympic super-G champion, prevented Girardelli from clinching the overall title for a record fifth time.

Girardelli picked up only 16 points and leads Aamodt overall by 1,319 points to 1,167 with two races left, a giant slalom on Saturday and a slalom on Sunday. Each victory is worth 100 points.

Aamodt has made up ground on Girardelli in each of the three last races, but he knows that his task of capturing the overall crown is still formidable.

"I don't want to speculate on that," Aamodt said.

"I should think about myself," he added.

"I will try for the GS title tomorrow. If I win that one too I'd be very happy with my season."

Aamodt's last two victories were in Norway—a super-G in Lillehammer on Sunday and a giant slalom Tuesday in Oppdal.

"It's exciting to win a race after race," Aamodt said. "But it was difficult today. It was close, only six hundredths."

"I was a bit nervous," he added. "I didn't want to ski out. Maybe I should have skied more aggressively, but it was enough. I didn't make any big mistakes."

For Aamodt, who finished only 13th overall last year, it was the first World Cup title in any discipline.

In major championships, he has one Olympic gold medal (super-G), at the 1992 Winter Games, and two golds (GS and slalom) at last month's world championships.

"It means a lot for me to be the best skier during the whole season," he said. "It's maybe more difficult than winning one race."

"But it's also exciting in the championships," he continued. "Then you have to put everything together on one day. I like that. It's exciting. A lot of nerves are involved."

Aamodt topped the final super-G standings with 420 points. Mader was second with 307 and Heinzer third with 301.

Jan Einar Thorsen of Norway, who was only 11th Friday, dropped from second to fourth with 294 points while Girardelli was fifth with 216.

(Reuters, AP)

German in Women's Overall Lead

Compiled by Our Staff From Dispatches

ARE, Sweden — Katja Seizinger of Germany clinched the women's super-giant slalom title on Friday and moved past Anita Wachter of Austria for the overall World Cup lead by winning the season's last super-G.

With two races left, Seizinger held a 14-point lead over Wachter.

"It's very open, there are two races left," Seizinger said. "The slalom is a great advantage for Anita, and if I am to have any chance I'll have to do very well tomorrow."

The women's cup season ends with a giant slalom Saturday and a slalom Sunday.

Seizinger, who had already won her second straight downhill title, blazed down the 1,190-meter (3,900-foot) Gaesstrappet course in 53.07 seconds. Ulrike Maier of Austria finished second in 53.21. Deborah Compagnoni of Italy, the Olympic super-G champion, finished third 53.31.

Wachter lost her overall cup lead when she finished seventh, 0.65 seconds behind Seizinger.

Carole Merle of France, who was bidding for her fifth straight super-G title and who was leading in the discipline before the final, was faster than Seizinger in the upper part of the course but lost time in the bottom and finished sixth, 0.54 seconds behind.

Merle had been hoping to score a double in the super-G and giant slalom for the second year in a row.

Seizinger, the super-G world champion, trailed Wachter by 50 points entering the

race, but picked up 100 points for her victory to raise her total to 1,216. Wachter, who earned 36 points for finishing seventh, has 1,202.

Although Wachter has more giant slalom and slalom victories, she knows Seizinger is skiing at her best.

"I didn't do a bad race—I did my best," Wachter said. "But it didn't help as Katja is in such good form, and I haven't got the condition to get that extra luck."

"Today wasn't good for me because Katja was winning and I lost many points, but we still have two more races left," said Wachter, who had the flu last week and banged her knee and back in practice Thursday.

Seizinger, 20, won her second super-G of the season, which had six races in the event. She picked up her sixth victory of cup campaign, and has won her last two races.

She took a giant slalom in Klovsjö, Sweden, last week. It was her first victory in that event, and could make her a real threat to Wachter.

Seizinger was awarded the downhill title Thursday, after the final downhill races had to be called off because of high winds. Seizinger already had assured herself of retaining that title, but the cancellation deprived her of another chance to pile up points in her strongest event.

Friday brought Seizinger's tally of 1992-93 World Cup triumphs to three downhills, two super-Gs and a giant slalom.

(AP, Reuters)



A FOUL CALL? — Indians' manager Mike Hargrove protesting a foul-ball call in Cleveland's first game since the deaths of two pitchers. The Indians tied the Orioles, 2-2, in 11 innings.

Cape Horn Rounded

By Peyron

PARIS — The French catamaran Commodore Explorer rounded Cape Horn despite running into trouble in 140 kph (85 mph) winds in its attempt to sail around the world in 80 days, the boat's headquarters said.

The latest message radioed by the skipper, Bruno Peyron, said the vessel, with its main sail only partly unfurled, rounded the cape at the tip of South America on Thursday in easier winds.

"They reported that they were happy but tired after the storm," the headquarters said in Paris.

The catamaran had earlier been reported in trouble in rough seas and being pushed toward the coast on the 12,930-kilometer last stage of the 43,760-kilometer trip.

The voyage began and is to end in the English Channel.

Peyron had hoped to round the Horn last Monday but lost time in a succession of doldrums and storms.

Commodore Explorer is the last vessel remaining in the \$1 million Trophee Jules Verne race to circumnavigate the world in less time than it took Verne's character Phileas Fogg in the book, "Around the World in 80 Days."

Raiders' Davis Likes Free-Agent Future

By Thomas George

PALM DESERT, California — Although National Football League free agents have been free to sign with new teams for the past 25 days, only the tip of the iceberg has been reached in player movement, according to the Los Angeles Raiders owner, Al Davis.

"Players are free to move until July 15," Davis said. "There are a lot of great players that will yet move. Some teams are going to trade some big-name quarterbacks to prepare for the salary cap that is expected for next season. It's a big issue for a lot of teams."

"We will not wait for next year and we will

'There are a lot of great players that will yet move. Some teams are going to trade some big-name quarterbacks to prepare for the salary cap that is expected next season. We will not wait for next year. We want to win now.'

Al Davis, L.A. Raiders' owner

Davis discussed a variety of subjects that included the following:

- How NFL teams can best approach free agency: "We're going to have to study and learn from others. We're going to have to look at the college game on how they reload for every four years. We'll have to look at baseball."
- "I've always been impressed with the Minnesota Twins. They reload and are in the running for the championship every two or three years. Then they take their hits in free agency and are down a year or two. Then they come back. It's one approach."
- The roster increase from 47 to 53 players: "Even though you can have 53, some teams are going to carry only 45 as a way to keep under the cap. The 53 also gives you a chance to develop a younger player at a position where you know you are going to lose a veteran the following year to free agency."
- The salary cap that could take effect in 1994: "Teams are going to have to do several things predicated on the cap. That means the tradition, the history, the nostalgia of the game may be a thing of the past. You're no longer going to be allowed to keep veteran players a year longer and pay them excellent money. This is the last year a lot of veterans are going to get that one big contract one more time. They deserve it."
- "Though the history and tradition will suffer, the game itself has been preserved. The cap allows us to go into the future without teams going into debt and into problems that would hurt the game."
- On Reggie (Rocker) Ismail, the former Notre Dame star who plays in the Canadian Football League: "We're allowed to talk to his agent, and they would like to move him from Canada. We've just begun discussions. We'll let the process go for a while. We'll have a better feel in the next two weeks."
- On the San Francisco 49ers not matching Pierce Holt's \$7.5 million Falcons contract: "I was extremely surprised when they did not match it. It is a new beginning in the NFL. What it is in essence is you make a trade without involving a club and open an opportunity to get a player you want. It's a new way today."

- On the Eagles receiving compensatory draft picks that will push other teams' picks lower: "Of all the teams that will be traumatized as a result of losing players, they have the chance to be gutted the most. I have sensitivity to what happens to them."
- On the former Raider Bo Jackson making the White Sox: "This guy is running around with that kind of hip and sliding and lunging for fly balls? It's incredible. He sat with us at the Super Bowl, and I don't think he envisioned he would be at this level this quickly. But like he once told me: 'They don't have a cure for the common cold. How can they tell me what my body can do?' When others say no, he says yes."
- On Bill Parcells, former Giants' coach who has taken over the Patriots: "Once, a few years ago, he called me and said, 'I'm going to trade Lawrence Taylor.' He said he was hurting the team and he couldn't control him. I said, 'Bill, he is your team.'"

Linesman Who Decided '66 World Cup Dies

The Associated Press

ZURICH — Tofik Bakhranov, the Soviet linesman whose controversial goal call put England ahead for good in the 1966 World Cup final against Germany, has died at age 66, soccer's governing body, FIFA, said Friday.

Gottfried Dienst, the Swiss referee in the 1966 final at London's Wembley Stadium, left the call to Bakhranov when the English striker Geoff Hurst's shot ricocheted from the crossbar into the goalmouth after 11 minutes of overtime with the game tied, 2-2.

Bakhranov, though further from the action, triggered national outrage in Germany by awarding a goal. Hurst later scored again to give England a 4-2 victory and its only World Cup.

Television replays and photographs strongly suggested that one of the most contentious goals in soccer history in fact was not a goal because the ball did not fully cross the goal line.

'92 Stars Shrug Off '2d-Year Jinx'

The Associated Press

Don't mention the second-year jinx around Eric Karros and Pat Listach. The top two rookies of 1992 have come off impressive games.

Karros, the National League rookie of the year for Los Angeles, is a right-handed-hitting first baseman with power. He led the Dodgers with 20 homers and 88 RBIs last season.

Against Houston in a 3-2 loss Thursday, Karros had his fourth home run of the spring.

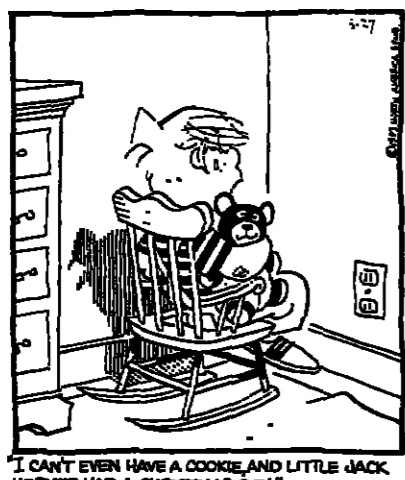
"That is something that's going to be talked about," Karros said of the jinx. "Hopefully, I won't give anyone a reason to talk about it. There will be some point in the season when I'm not doing well. It happens every season, but at the end of the year I'm going to have my numbers."

Listach, the American League rookie of the year, tripled home two runs to cap a four-run second inning as Milwaukee beat Seattle, 4-1. In that game Ted Figueroa, coming back from an arm injury, ran his record to 3-0, striking out two and allowing only a third-inning single.

Elsewhere Thursday:

- Pitcher Bret Saberhagen of the New York Mets signed a three-year contract extension, guaranteeing him \$15.38 million.
- Saberhagen, who won the Cy Young Award in 1985 and 1989, also has an option for a fourth year for at least \$5 million. The Mets gave Saberhagen a \$2.5 million signing bonus, \$3.05 million for 1994, \$4.05 million for 1995 and \$4.3 million for 1996. Incentives based on innings pitched before 1997 could push the final-year figure to as much as \$5.5 million. Also included in the package are deferred payments worth about \$1.4 million.
- Saberhagen, plagued by an inflamed index finger last year, was 3-5 for New York with a 3.05 ERA in 17 games.
- The Florida Marlins said that pitcher Scott Chiamparino could miss the season. The former Texas Ranger will undergo elbow surgery to replace a bone spur. Chiamparino injured the elbow in February, but was expected to miss only a month or so. He had been under consideration as Florida's fourth starter.
- Tom Browning of Cincinnati pitched five strong innings in a 3-1 loss to Toronto as he continued his return after reconstructive knee surgery.
- Browning, hit hard in two recent B games, allowed five hits, one walk and no runs after a first inning in which the Blue Jays scored on singles by Devon White, Luis Sojo and Joe Carter.
- Pat Hentgen worked four innings for Toronto, allowing two hits.
- The New York Yankees got six hitless innings from Bob Wickman, but Atlanta scored in the seventh to beat reliever Neal Heaton, 1-0.
- Wickman, aiming for one of two vacancies in the Yankees' rotation, used his sinker to produce 13 ground balls leading to 14 outs. He walked two and struck out three in lowering his spring training ERA to 0.60.
- The only run came on a double-play grounder by Terry Pendleton.

DENNIS THE MENACE



I CAN'T EVEN HAVE A COOKIE AND LITTLE JACK HORNER HAD A CHRISTMAS PIE!

PEANUTS



CALVIN AND HOBBES



JUMBLE

THAT SCRAMBLED WORD GAME

Unscramble these five Jumble words to win a prize. Write the letters in the boxes below.

ENMOY

TOFLY

SLUDOH

DAWMOE

Print answer here: _____

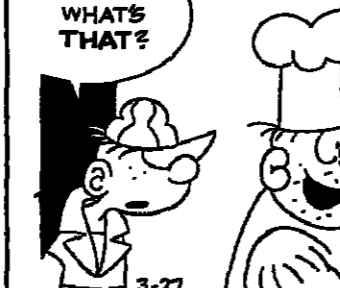
BLONDIE



WIZARD of ID



BETLE BAILEY



REX MORGAN



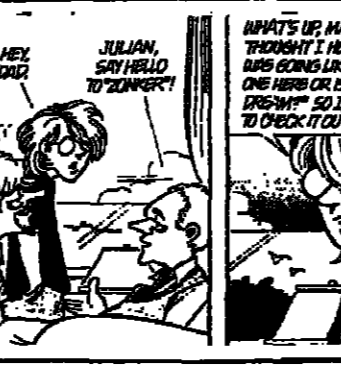
TO OUR READERS IN BERLIN

You can now receive the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

DOONESBURY



GARFIELD



SPORTS TENNIS

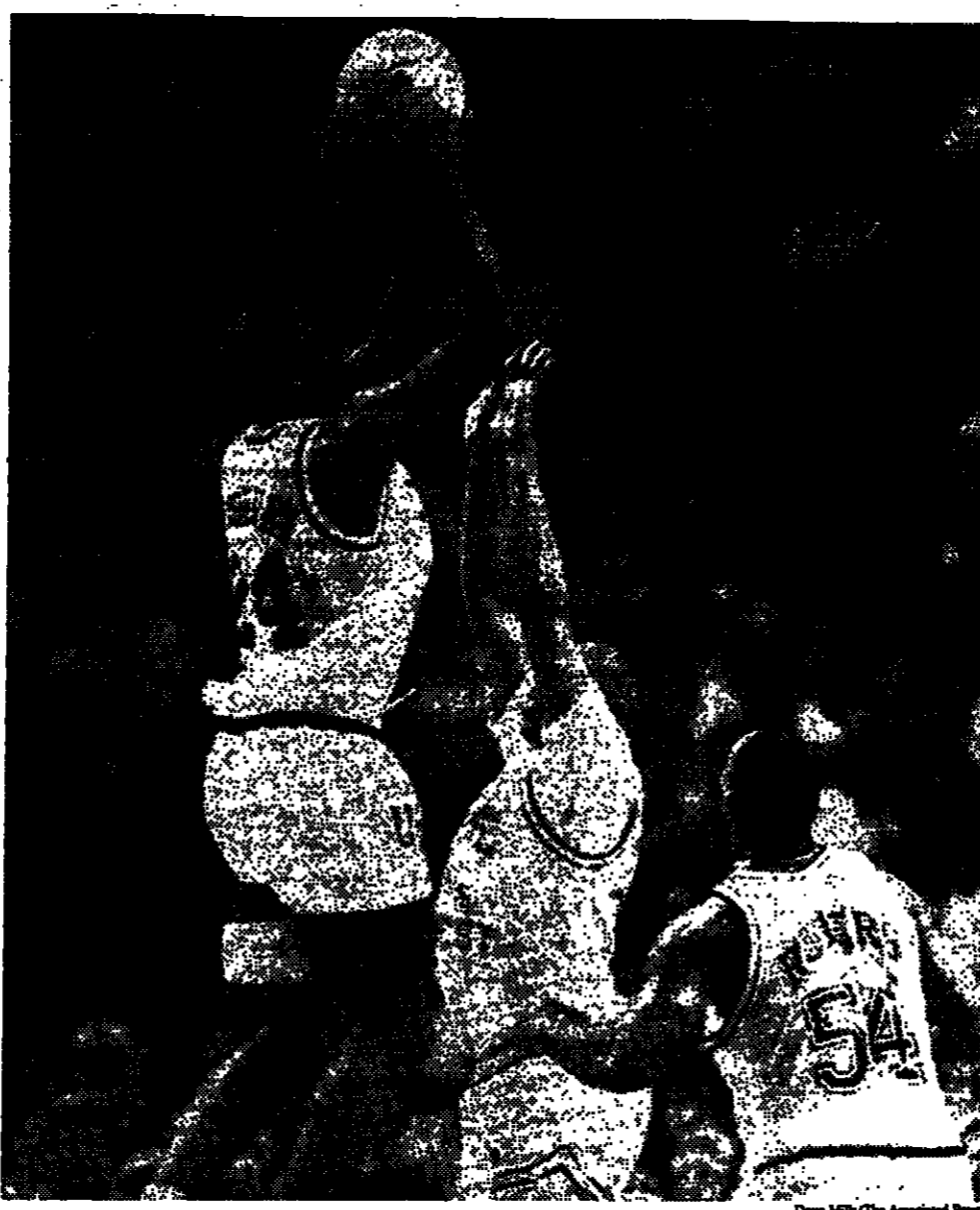
Indiana, Kansas, Florida State and Kentucky Advance

Indiana and Kansas are going to play it again, this time with a berth in the NCAA tournament's Final Four at stake.

Kansas defeated Indiana, 74-69, in the Hoosier Dome on Dec. 5. The rematch was set for Saturday in the Midwest Regional final in St. Louis, where the top-seeded Hooyaks (31-3) and second-seeded Jayhawks (28-6) advanced with easy victories Thursday night.

Top-seeded Kentucky (29-3) and third-seeded Florida State (25-9) advanced to the Southeast Regional final in Charlotte, North Carolina. After Kansas beat California, 93-76, the Jayhawks' coach, Roy Williams, was asked about the rematch with Indiana.

Georgetown in NIT Semis. Georgetown sailed into the NIT semifinals with a 66-33 victory over Miami of Ohio on Thursday in Fairfax, Virginia, The Associated Press reported.



Kentucky's Jamal Mashburn shooting over Travis Banks of Wake Forest for two of his 23 points.

Australia Blanks U.S. In Davis Cup Opener

Compiled by Our Staff From Dispatches Australia took advantage of an undermanned U.S. squad, winning both opening singles on Friday to take a 2-0 lead over the defending champions while last year's runner-up Switzerland fared only slightly better against India in the first round of the Davis Cup World Group.

Woodforde and Todd Woodbridge were to try to complete the victory in Saturday's doubles against Jim Grabb and Richey Kenyagin. India, Pakistan and Switzerland were to play in the first round of the Davis Cup World Group.

Netherlands 1, Spain 1: In Barcelona, Paul Haarhuis outlasted Sergi Bruguera, 6-3, 4-6, 4-6, 6-3, 6-2, to give a boost to the Dutch, which lost Richard Krajicek on Thursday to illness. Carlos Costa dropped the first set of his match but finally rallied to even things for Spain, beating Mark Koevermans, 5-7, 6-3, 6-1, 6-1.

SCOREBOARD

BASKETBALL

NBA Standings

Table showing Eastern Conference and Atlantic Division standings for various teams like New York, Boston, Orlando, etc.

WESTERN CONFERENCE

Table showing Western Conference and Midwest Division standings for teams like Houston, San Antonio, Denver, etc.

THURSDAY'S RESULTS

Table listing basketball game results from Thursday, including scores and key players.

HOCKEY

NHL Standings

Table showing NHL Standings for various divisions like Patrick, Adams, and Norris.

THURSDAY'S RESULTS

Table listing hockey game results from Thursday, including scores and key players.

CAMPBELL CONFERENCE

Baseball Exhibition Results

Table showing baseball exhibition results for various teams like Detroit, Chicago, Toronto, etc.

THURSDAY'S RESULTS

Table listing baseball game results from Thursday, including scores and key players.

SKIING

World Cup Results

Table showing skiing world cup results for various events like Super-G, Slalom, etc.

WOMEN'S SUPER-G

Table listing women's super-g skiing results for various countries and athletes.

TENNIS

Davis Cup

Table showing Davis Cup results for various countries and players.

WORLD GROUP

Table listing Davis Cup World Group results for various countries and players.

TRANSACTIONS

BASEBALL: American League Milwaukee—Acquired Tom Lampkin, catcher, from San Diego for future considerations. Deshaun Troy O'Leary, outfielder; Matt Moore, pitcher; and Mike Matheny, catcher, for replacement.

Advertisements for Edith Brigitta FAHRENKROG, including contact information and a list of services offered.

Advertisements for international classifieds, including 'THE HT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE' and 'MOVING' services.

Advertisements for real estate, including 'REAL ESTATE FOR SALE' and 'REAL ESTATE TO RENT/SHARE' in various locations like Switzerland and Paris.

Advertisements for 'GOING ONCE, TWICE, SOLD!!! INTERNATIONAL ART EXHIBITIONS AUCTION SALES' and 'NANNIES AND DOMESTICS'.

Vertical text on the right edge of the page, including page number '5' and some illegible text.

DAVE BARRY

The Inside of Beth's Knee

MIAMI — In our family, we like to engage in group sports activities, because we have fun and learn more about each other as human beings. For example, without the sport of skiing, I would never have found out what the inside of my wife's left knee looks like. This came about because of an unplanned skiing maneuver that Beth performed in Colorado ("The People on Crutches State"). Beth and I were attempting to ski, as a family, with our son, Rob, who, being 12, is not legally required to obey the laws of gravity. Rob skis the way the Roadrunner runs in cartoons. He looks for the steepest, steepest slope, one where the bottom is littered with the carcasses of mountain goats and professional rock climbers who died attempting to get down it. Without pausing, he launches himself off the edge, steps in midair to look around for several seconds, then WHOOSH turns into a blur and zips to the bottom, where he turns back — he is a tiny black dot now, way down the mountain and shouts impatiently, "Come ON! Beep, beep!" Then Beth and I, playing the part of stupid old Wile E. Coyote, inch our way cautiously to the edge and start to descend the slope at about the same velocity as one of your less-active glaciers, sometimes getting as far as 18 inches before our skis — these are rental skis, and they can smell fear in a person — become skittish and attempt to flee in opposite directions, causing us to collapse like cheap tents in a high wind. This is what happened to Beth in Colorado. I looked back and saw her lying on the slope directly under a chairlift, in great pain, with two ski patrol guys kneeling next to her, administering first aid to her knee and building a little shelter to protect her from the thick storm of business cards being dropped from the chairlift by personal-injury attorneys. (I am just kidding, of course. They parachuted down in person.) So we went to the hospital, where a doctor explained, with the aid of an extremely detailed life-size model, how the human knee joint works. (Not very well, is the answer.) So I was swaying gently back and forth, like a palm tree about to

Rush Limbaugh Tells All To Lib City Reporterette

By Maureen Dowd New York Times Service

NEW YORK — It is not possible to tell, in the dim light of the "21" Club, if Rush Limbaugh is blushing. But he certainly looks sheepish, a rare state for the radio and television talk-show host who has become a millionaire and conservative hero by zealously clubbing "feminazis," "environmental wackos," Anita Hill, Jesse Jackson, Hillary Clinton, Teddy Kennedy, Mario Cuomo, homeless advocates, dolphins, spotted owls, trees, "commie libs" and "the arts and crafts crowd." A friend of his, a bond trader at Lazard Frères who knows that Limbaugh is being interviewed by The New York Times, has just ribbed his bachelorette pal by remarking loudly in passing: "Well, Rush, that's got to be either a hooker or a reporter." It is not surprising that Limbaugh inspires such dazzling outbursts of political incoherence. What else would one expect from the Most Dangerous Man in the World, as he likes to call himself, the multimedia Baron of Bombast celebrated by Vanity Fair as the gender war's "General Schwarzkopf for the boys' side"? But he hurries to explain: "That disparaging comment he made: he was ragging me, not you," Limbaugh says. "He knows you're a reporter, 'cause I told him. He's a tremendous guy. In other circumstances you'd love him." Later, unprompted, he adds: "I should have apologized earlier for that remark." Rush Limbaugh, a sensitive guy? Wrap your mind around that one, boobalala (as Limbaugh likes to spell it). He also asks if the reporter would care to switch from the banquet to the chair opposite: "I note that by virtue of where you're sitting, there appears to be a power imbalance. You're sitting lower than I am." Rush Limbaugh, master of gender etiquette? It is, as he says, a beautiful thing, the Harmless Little Fuzzball, as he refers to himself, does not go overboard on this sensitivity stuff. He still calls women who work for newspapers "reporterettes" and women who work on television "info-babes." When he mentions Hillary Rodham Clinton on his nationally syndicated television show he plays a bar of "Hail to the Chief." But oddly enough, beneath the bluster, there beats the heart of a romantic, the shy high school guy who rarely went out on dates, the child of the '60s who has never owned a pair of blue jeans and the insecure college dropout and couch potato who has survived two bad marriages and some



AP Photo/John W. H....

'One of the reasons of my success is that I'm totally concerned with me.'

thing I like about New York is that they bring it to you. You call 'em up and they bring it to you. You don't have to go find it, shop for it, look for it, if you don't want to. I love that. He lives in a two-bedroom apartment on the Upper West Side that he says he has never bothered to fix up. His assistant, Kit Carson, says his boss doesn't even have a dining room table on which to plunk his Chinese takeout. But he does have seven VCRs, though he rarely watches movies. "Sometimes I have a date and somebody'll want to watch a movie so I'll say, 'All right, let's go to the video store.' And I go in there and I buy some videos. That way, you don't have to take 'em back." He avoids food stores because "I can order food from D'Agostino's on my computer and have it delivered." And he stays out of department stores. "I have all my clothes sent to me from Rochester Big and Tall," he says. "They come to my place and bring some stuff and I pick out what I like and send the rest back." He has taken friends to Broadway shows like "Phantom of the Opera" and "The Will Rogers Follies." He even had a one-night turn in "Follies" a few weeks ago as Wiley Post. "I had my picture taken with Maris Mapples," he says, star-struck despite his own celebrity. "She was very sweet." Asked his idea of an entertaining evening, he replies: "I sometimes go charter a jet and go somewhere for dinner. Brennan's in New Orleans is my all-time favorite restaurant. Or sometimes I will go to San Francisco to one of my favorite spots in the world, Fort Point, underneath the south tower of the Golden Gate Bridge. It's where Kim Novak jumps into the bay in 'Vertigo.'" (Much more often, though, he finds himself traveling on weekends to appear as the prize at a "Dinner with Rush" event put on by an affiliate radio station or to be a guest speaker for a conservative gathering.) The reporter, trying to determine if Limbaugh's broadcast personality is overdrawn, asks if he ever socializes with feminists, gays or blacks. The talk-show host bristles. "You wouldn't ask Jesse Jackson if he had any white friends," he complains. "You're trying to establish that I am a bigot-Nazi-racist-pig so that you can print it in your own good conscience." Limbaugh is now acting severely humiliated, to borrow one of his favorite phrases. So, at midnight, the check is called for. Vox pop does not come cheap in Manhattan. Swollen by being, the bill, with tip, is \$305.96. The reporter paid.

PEOPLE

Opera Chief Proposes 'The Life of Mikhail'

Giancarlo del Monaco, the sometimes controversial head of the Bonn Opera, has suggested to Mikhail S. Gorbachev that his life might make a good opera. The former Soviet leader says he is tempted, theater officials said. That should set off lively speculation on who might sing the Gorbys part. And would there be a Boris Yeltsin part? It was a bit in rehearsal, but one song planned for the big Gridiron Club dinner Saturday night in Washington has been scratched. "Give Me Some Men. Some Straight-Hearted Men," a spoof on gays in the military, was killed by the club president, Helen Thomas of UPI, after some members complained. After a four-year romance, the former chairman of Gannett, Al Neuhardt, has married chiropractor Rachel Forman in Florida. The Los Angeles jury that ordered Kim Basinger to pay \$8.9 million for defaulting on an agreement to star in the film "Boxing Helena" decided not to assess further, punitive damages against her. Gloria Steinem celebrated her 59th birthday in New York by urging people to take a day to work as part of the Ms. Foundation for Women's "Take Our Daughters to Work" campaign. The idea is that, showing a girl around a workplace (presumably one where the women don't make coffee) will promote self-confidence. Life after junk: In his first major public appearance since his release from prison nearly three months ago, the former junk bond king Michael Milken announced in Los Angeles that his family foundation will launch a cable television education network with the help of Michael Jackson and several corporate partners. The foundation will also fund a commission to study how universities can help inner cities.

INTERNATIONAL CLASSIFIED Appears on Pages 7, 11 & 17

WEATHER

Weather forecast section including maps of Europe, Asia, Africa, and Latin America, with temperature and precipitation data for various regions.

CITY FEATHERS By Judith C. Dalton

Crossword puzzle section with clues for Across and Down, and a solution for the puzzle dated March 20-21.

BOOKS

KING OF THE CATS: The Life and Times of Adam Clayton Powell Jr. By Wil Haygood. 476 pages. \$24.95. Houghton Mifflin. Reviewed by John A. Williams. DURING the five years of his chairmanship of the House Committee on Education and Labor (1961-1966), Adam Clayton Powell Jr. shepherded through Congress 49 bills that have had a long-lasting influence on the arts and culture, on education, on the training of aid for the physically impaired, and on the American workplace. Federal support for public libraries, minimum wage reform and the proposition of equal pay for equal work, became law.

The Reverend Powell had ministered his church, written a newspaper column, published his own paper, led the fight to secure employment for black people in New York. He was New York's first black city councilman before he began his 24 years as the representative of the 22d Congressional District, Harlem, in 1944. But his record as a lawmaker is usually overshadowed by what he has been told to remember: That he was a black man so far he was said to have passed for white while a student at Colgate — a claim surviving friends refuse; that his attendance in the House was abysmal; that he was, perhaps, the most elegantly tailored man in the House, though he had come from one of the poorer congressional districts; that he was insufferably arrogant (in his day, "uppity"); that he seemed to run through beautiful women like grease through a goose; that he was a hypocrite, being a pastor of the largest black church in the United States, the Abyssinian Baptist, and at the same time a sure-enough trash-talking, liquor-loving, damnably good-looking dandy. Wil Haygood's "King of the Cats" is a good read. It flashes light on New York politics, Powell's clashes with the "established" black leadership, his indictment for tax evasion and the subsequent dismissal of the charge, the Esther James "bagwoman" libel case and the successful drive of his congressional enemies to unseat him in 1966. Haygood is at his best here, portraying both the congressional forces that saw Powell's expulsion for misuse of congressional funds as an attack on Congress itself and those who were determined to "get" Powell. They did, and Powell's expulsion left Harlem the only congressional district in the United States without representation from 1967 to 1969. Powell was returned to Congress without his chairmanship in January 1969. The Supreme Court declared the expulsion unconstitutional in June the same year. Dos Passos-like "biographies" interspersed here and there in the book work well, briefly supplying crucial insights on the personalities who appear here. But the enigmatic Powell, a lone sailor in rough seas who merely wounded the great white whale, remains hidden. John A. Williams, the author of 12 novels and 15 nonfiction books, wrote this for The Washington Post.

Large advertisement for AT&T USADirect Service, featuring a globe and the slogan 'Speed up the approval process.' Includes a table of international access numbers for various countries.